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TITLE 8—ALIENS AND NATIONALITY

Chapter I—Immigration and Naturalization Service, Department of Justice

Subchapter B—Immigration Regulations

PART 160—IMPOSITION AND COLLECTION OF FINES

NOTICE TO COLLECTOR OF CUSTOMS

JANUARY 30, 1951.

Section 160.19, Chapter I, Title 8 of the Code of Federal Regulations, is hereby amended to read as follows:

§ 160.19 *Notice of decisions; appeal from Commissioner's order.* The Commissioner shall furnish notice of the decision in all cases to the appropriate field office, and shall, in accordance with § 90.9 of this chapter, serve a copy of his decision and order upon the party against whom the proceedings were instituted or his counsel or representative. The field office shall inform the collector of customs promptly in the event no penalty is imposed, and in all other cases upon the disposition of any appeal, or at the expiration of the time in which an appeal may be entered. Such information need not be furnished the collector of customs in any case in which the field office has been previously furnished with a notice of collection of the amount of the penalty by the collector of customs. The responsibility for such action as may be appropriate in carrying out the provisions of the decision lies with the collector of customs.

(Sec. 23, 39 Stat. 892, sec. 24, 43 Stat. 166, sec. 37, 54 Stat. 675; 8 U. S. C. 102, 222, 458)

A. R. MACKEY,
Acting Commissioner, Immigration and Naturalization.

Approved: April 20, 1951.

J. HOWARD MCGRATH,
Attorney General.

[F. R. Doc. 51-4811; Filed, Apr. 25, 1951; 8:49 a. m.]

TITLE 14—CIVIL AVIATION

Chapter II—Civil Aeronautics Administration, Department of Commerce

[Amdt. 1]

PART 408—ENFORCEMENT PROCEDURES

INVESTIGATIONS

Part 408, published and made effective on December 30, 1950, in 15 F. R. 9443, is amended by adding § 408.12 to read:

§ 408.12 *Investigations.* By section 309 of the act, the Administrator or his designated examiners in the conduct of public investigations regarding alleged violations of the act and regulations issued pursuant thereto are authorized to take evidence, issue subpoenas, take depositions, and compel testimony in the manner provided in section 1004 of the act. When specifically authorized by the Administrator for a particular proceeding, the Regional Attorneys in the field and personnel of the General Counsel's Office in Washington may undertake such investigations: (a) In complicated cases to procure and preserve business records where copying them would be impractical, (b) in accident cases to establish responsibility, (c) in civil penalty cases to fix the amount that should be accepted in compromise, (d) in doubtful cases to determine whether any action should be taken, and (e) in such other types of cases as the Administrator may specifically prescribe.

(Sec. 205, 52 Stat. 984, as amended; 49 U. S. C. 425. Interprets or applies sec. 1004, 52 Stat. 1021, as amended, sec. 309, 62 Stat. 1217; 49 U. S. C. 644, 459)

This amendment shall become effective upon publication in the FEDERAL REGISTER.

[SEAL] F. B. LEE,
Acting Administrator of Civil Aeronautics.

[F. R. Doc. 51-4834; Filed, Apr. 25, 1951; 8:55 a. m.]

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FEDERAL REGISTER

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CODIFICATION GUIDE

A numerical list of the parts of the Code of Federal Regulations affected by documents published in this issue. Proposed rules, as opposed to final actions, are identified as such.

TITLE 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket 5775]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

MILLS SALES CO. OF N. Y., INC., ET AL.

Subpart—*Advertising falsely or misleadingly:* § 3.15 *Business status, advantages, or connections; organization and operation; size and extent;* § 3.200 *Sample, offer or order conformance.* Subpart—*Offering unfair, improper and deceptive inducements to purchase or deal:* § 3.2060 *Sample, offer or order conformance.* In connection with the sale, offering for sale, and distribution in commerce, of toys, jewelry, cosmetics, gift items, drugs, or any other merchandise, (1) representing directly or by implication that Mills Sales Company of N. Y., Inc., owns or controls any subsidiary, firm, company or corporation; (2) representing directly or by implication that Mills Sales Company of N. Y., Inc., is the world's lowest priced wholesaler, or is never undersold; or, (3) shipping any merchandise not identical in all respects with the merchandise ordered by any customer, except with the express consent of the latter; prohibited.

(Sec. 5, 38 Stat. 719, as amended; 15 U. S. C. 45) [Cease and desist order, Mills Sales Company of N. Y., Inc., et al., Docket 5775, Feb. 23, 1951]

In the Matter of Mills Sales Company of N. Y., Inc., a Corporation, David Jacoby and Evelyn Jacoby, Individually and as Officers of Mills Sales Company of N. Y., Inc.

This proceeding was heard by Frank Hier, trial examiner, upon the complaint, of the Commission, the answer of the respondents, and a hearing at which counsel in support of the complaint and counsel for respondents joined in a stipulation dictated by them into the record, wherein it was agreed that such stipulation might be taken as the facts in the proceeding and in lieu of testimony in support of and in opposition to the charges stated in the complaint, and that it might serve as the basis for findings as to the facts and conclusions based thereon and order disposing of the proceeding, without presentation of proposed findings and conclusions.

Thereafter the proceeding regularly came on for final consideration by said trial examiner upon the complaint, answer, and stipulation, which had been approved by said trial examiner who, after duly considering the record and having found that the proceeding was in the interest of the public, made his initial decision, comprising certain findings as to the facts, conclusion drawn therefrom, and order to cease and desist.

No appeal having been filed from said initial decision of said trial examiner as provided for in Rule XXII, nor any other action taken as thereby provided to prevent said initial decision becoming the decision of the Commission thirty days from service thereof upon the parties, said initial decision, including said order to cease and desist, accordingly, under the provisons of said Rule XXII, became the decision of the Commission February 23, 1951.

The said order to cease and desist is as follows:

It is ordered, That respondent Mills Sales Company of N. Y., Inc., a corporation, its officers, directors, employees and representatives, and respondents David Jacoby and Evelyn Jacoby, individually and as officers of such corporation, their employees and representatives, directly or indirectly, or through any corporate or other device, in connection with the sale, offering for sale, and distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of toys, jewelry, cosmetics, gift items, drugs, or any other merchandise, do forthwith cease and desist from:

1. Representing directly or by implication that Mills Sales Company of N. Y., Inc., owns or controls any subsidiary, firm, company or corporation.

2. Representing directly or by implication that Mills Sales Company of N. Y., Inc., is the world's lowest priced wholesaler, or is never undersold.

3. Shipping any merchandise not identical in all respects with the merchandise ordered by any customer, except with the express consent of the latter.

By "Decision of the Commission and order to File Report of Compliance", Docket 5775, February 27, 1951, which announced fruition of said initial decision, report of compliance with the order was required as follows:

It is ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: February 27, 1951.

By the Commission.

[SEAL] D. C. DANIEL, *Secretary.*

[F. R. Doc. 51–4825; Filed, Apr. 25, 1951; 8:53 a. m.]

[Docket 5781]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

ELECTROVOX CO., INC., ET AL.

Subpart—*Advertising falsely or misleadingly:* § 3.30 *Composition of goods;* § 3.130 *Manufacture or preparation;* § 3.170 *Qualities or properties of product or service.* In connection with the sale and distribution of phonograph needles in commerce, representing, directly or by implication, (1) that respondents' pho-

nograph needles made with synthetic points or tips contain sapphire, ruby, or other gem or jewel as generally understood by the trade and the consuming public; or, (2) that their phonograph needles will play, or may be relied upon or depended upon to play, satisfactorily up to 10,000, 6,000, or 4,000 records, or any other specified number thereof not definitely proven under the varied conditions of normal use; prohibited.

(Sec. 5, 38 Stat. 719, as amended, 15 U. S. C. 45) [Cease and desist order, Electrovox Company, Inc., et al., Docket 5781, Feb. 26, 1951]

In the Matter of Electrovox Company, Inc., a Corporation, Lowell Walcutt and Robert G. Walcutt, individually and as officers of Electrovox Company, Inc.

This proceeding was heard by Clyde M. Hadley, trial examiner, upon the complaint of the Commission and the joint answer of the respondents in which they admitted all of the material allegations of facts set forth in the complaint and waived all intervening procedure and further hearing as to the said facts, but reserved the right to a hearing upon proposed conclusions of fact or law, which reservation, as pertaining to any hearings before the trial examiner, was duly waived by their counsel.

Thereafter the proceeding regularly came on for final consideration by the above named trial examiner, theretofore duly designated by the Commission, upon said complaint and answer, all intervening procedure having been waived, and no proposed findings and conclusions having been submitted by counsel, or oral argument requested, and said trial examiner having duly considered the record, and found the instant proceeding in the interest of the public, made his initial decision, comprising certain findings as to the facts, conclusions drawn therefrom, and order to cease and desist.

No appeal having been filed from said initial decision of said trial examiner as provided for in Rule XXII, nor any other action taken as thereby provided to prevent said initial decision becoming the decision of the Commission thirty days from service thereof upon the parties, said initial decision, including said order to cease and desist, accordingly, under the provisions of said Rule XXII, became the decision of the Commission February 26, 1951.

The said order to cease and desist is as follows:

It is ordered, That the respondents Electrovox Company, Inc., a corporation, and Lowell Walcutt and Robert G. Walcutt, individually and as officers thereof, and their agents, representatives and employees, directly or through any corporate or other device, in connection with the sale and distribution of phonograph needles in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication:

1. That their phonograph needles made with synthetic points or tips contain sapphire, ruby, or other gem or jewel as generally understood by the trade and the consuming public.

2. That their phonograph needles will play, or may be relied upon or depended upon to play, satisfactorily up to 10,000, 6,000, or 4,000 records, or any other specified number thereof not definitely proven under the varied conditions of normal use.

By "Decision of the Commission and order to File Report of Compliance", Docket 5781, February 26, 1951, which announced fruition of said initial decision, report of compliance with the order was required as follows:

It is ordered, That the corporate respondent, Electrovox Company, Inc., and the individual respondents, Lowell Walcutt and Robert G. Walcutt, shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: February 26, 1951.

By the Commission.

[SEAL] D. C. DANIEL, *Secretary.*

[F. R. Doc. 51-4824; Filed, Apr. 25, 1951; 8:52 a. m.]

[File No. 21-192]

PART 200—FEATHER AND DOWN PRODUCTS INDUSTRY

PROMULGATION OF TRADE PRACTICE RULES

Due proceedings having been held under the trade practice conference procedure in pursuance of the act of Congress approved September 26, 1941, as amended (Federal Trade Commission Act), and other provisions of law administered by the Commission;

It is now ordered, That the trade practice rules of Group I and Group II, as hereinafter set forth, which have been approved and received, respectively, by the Commission in this proceeding, be promulgated as of April 26, 1951.

Statement by the Commission. Trade practice rules for the Feather and Down Products Industry, as hereinafter set forth, are promulgated by the Federal Trade Commission under the trade practice conference procedure. Such rules constitute a revision and supplementation of the rules promulgated by the Commission for the Feather and Down Industry on July 18, 1932, and supersede the 1932 rules.

Members of the industry are the persons, firms, corporations, and organizations engaged in the manufacture, processing, distribution and sale in commerce of pillows, cushions, comforters, sleeping bags, and similar products, which are wholly or partially filled with feathers or down.

The rules are directed to the elimination and prevention of various unfair trade practices and are issued in the interest of protecting the purchasing public and maintaining fair competitive conditions in the industry. To this end the rules provide a helpful guide to all concerned.

The industry affected has fully cooperated with the Commission in the formulation and establishment of the rules. During the course of the proceedings a general industry conference was held under Commission auspices in New York City, at which proposals for rules were submitted for the consideration of the Commission. Thereafter, a draft of proposed rules was released by the Commission and public hearing thereon held in Washington, D. C., at which all interested or affected parties were afforded opportunity to present their views, suggestions, or objections regarding the rules.

Following such hearing, and upon consideration of the entire matter, final action was taken by the Commission whereby it approved and received, respectively, the trade practice rules hereinafter appearing in Group I and Group II.

Such rules become operative thirty (30) days from the date of promulgation.

These rules promulgated by the Commission are designed to foster and promote the maintenance of fair competitive conditions in the interest of protecting industry, trade, and the public. It is to this end, and to the exclusion of any act or practice which suppresses competition, restrains trade, fixes or controls price through combination or agreement, or which otherwise injures, destroys, or prevents competition, that the rules are to be applied.

GROUP I

GROUP II

AUTHORITY: §§ 200.0 to 200.102 issued under sec. 6, 38 Stat. 722; 15 U. S. C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U. S. C. 45.

§ 200.0 *Definitions.* (a) For the purpose of this part the term "industry products" means and includes all pillows, cushions, comforters, sleeping bags, and similar products, which are wholly or partially filled with feathers or down.

(b) Members of the industry are the persons, firms, corporations and organizations engaged in the business of manufacturing, processing, distributing or marketing in commerce any such industry products.

NOTE: Nothing in this part shall be construed as relieving any member of the industry of the necessity of complying with the requirements of State laws or regulations or other laws or regulations applicable to the products of this industry.

GROUP I

General statement. The unfair trade practices embraced in §§ 200.1 to 200.18 are considered to be unfair methods of competition, unfair or deceptive acts or practices, or other illegal practices, prohibited under laws administered by the Federal Trade Commission; and appropriate proceedings in the public interest will be taken by the Commission to prevent the use, by any person, partnership, corporation, or other organization subject to its jurisdiction, of such unlawful practices in commerce.

§ 200.1 *Misrepresentation and deception in general.* It is an unfair trade practice to use, or cause or promote the use of, any trade promotional literature, advertising matter, guarantee, warranty, mark, brand, label, trade name, picture, design or device, designation, or other type of oral or written representation, however disseminated or published, which has the capacity and tendency or effect of misleading or deceiving purchasers or prospective purchasers:

(a) With respect to the type, kind, grade, quality, quantity, weight, size, color, origin, durability, processing, testing, construction, manufacture, distribution, or customary or regular price, of any industry product, or concerning any component, contents, or covering of such product; or

(b) With respect to the colorfastness, finish, thread count, weight, pattern, material, type of fiber or weave, or feather- or down-resistant qualities of the sewn, permanent, or removable cover or covering of any industry product; or

(c) Which in any other material respect has the capacity and tendency or effect of misleading or deceiving the purchasing or consuming public. [Rule 1]

§ 200.2 *Deceptive pictures or symbols.* It is an unfair trade practice, in connection with the offering for sale, sale, or distribution of industry products, to use as part of a label, advertisement, trade name, or other representation, any depiction of a waterfowl or other picture, symbol, or design which, either alone or in conjunction with accompanying words, phrases, or other representations, has the capacity and tendency or effect of misleading or deceiving purchasers or prospective purchasers into the belief that the product is composed (in whole or in part) of feathers or down when such is not the fact, or is composed (in whole or in part) of feathers or down from fowl of the type or color represented by such words, pictures, or other symbols, when such is not the fact. [Rule 2]

§ 200.3 *Identification and disclosure of kind and type of filling material in industry products.* (a) In the sale, offering for sale, or distribution of industry products, it is an unfair trade practice to misrepresent or deceptively conceal the identity of the kind or type of filling material contained in any of such products, or of the kinds or types, and proportions of each, when the filling material is a mixture of more than one kind or type. Such identification and disclosure shall be made by tag or label securely affixed to the outside covering of each product and in invoices and all advertising and trade promotional literature relating to the product; and when the filling material is a mixture of more than one kind or type, each kind and type shall either be listed in the order of its predominance by weight, or be listed with an accompanying disclosure of the fraction or percentage by weight of the entire mixture which it represents.

(b) Identification of the kind and type of feather and down stock by use of any of the terms listed and defined in this paragraph will be considered proper when in accord with the definition set forth for such term:

(1) *Down.* The undercoating of waterfowl, consisting of clusters of the light, fluffy filaments growing from one quill point but without any quill shaft.

(2) *Down fiber.* The barbs of down plumes separated from the quill points.

(3) *Waterfowl feathers.* Goose feathers, duck feathers, or any mixture of goose and duck feathers.

(4) *Feathers (or natural feathers).* Bird or fowl plumage having quill shafts and barbs and which has not been processed in any manner other than by washing, dusting, and sterilizing.

(5) *Quill feathers (or quills).* Wing feathers or tail feathers or any mixture of wing and tail feathers.

(6) *Crushed feathers.* Feathers which have been processed by a crushing or curling machine which has changed the original form of the feathers without removing the quill.

(7) *Stripped feathers.* The barbs of feathers stripped from the quill shaft but not separated into feather fiber.

(8) *Feather fiber.* The barbs of feathers which have been completely separated from the quill shaft and any aftershaft and which are in nowise joined or attached to each other.

(9) *Chopped feathers.* Feathers which have been subjected to a chopping or cutting process and as a result have been chopped or cut into pieces.

(10) *Damaged feathers.* Feathers, other than crushed, chopped, or stripped, which are broken, damaged by insects, or otherwise materially injured.

(c) Tolerance: [1]

(1) Subject to the restrictions and limitations of this paragraph, the filling material of an industry product may be represented as being of but one kind or type when 85 percent of the weight of all filling material contained in the product is of the represented kind or type; or may be represented as being of a mixture of two or more kinds or types with accompanying disclosure of a fraction or percentage of the weight of the entire mixture represented by each if the fraction or percentage shown is not at variance with the actual proportion of the weight of the entire mixture represented by each such kind or type by more than 15 percent of the stated fraction or percentage.

(2) Limitations and restrictions:

(i) When the filling material of an industry product is represented, directly or indirectly, as being wholly of down, any proportion within the tolerance percentage provided for in subparagraph (1) of this paragraph which is not down shall consist principally of down fiber and/or small, light, and fluffy waterfowl feathers, shall contain no quill feathers, crushed feathers, or chopped feathers, and shall not contain damaged feathers, quill pith, quill fragments, trash, or any matter foreign to feather and down stock in excess of 2 percent by weight of the filling material contained in the product or which in the aggregate exceeds 5 percent of such weight.

(ii) When the filling material of an industry product is represented, directly or indirectly, as being wholly of waterfowl feathers, any proportion within the tolerance percentage provided for in subparagraph (1) of this paragraph which is not waterfowl feathers shall not contain non-waterfowl feathers in excess of 5 percent by weight of the filling material in the product, nor quill pith, quill fragments, trash, or any matter foreign to feather and down stock in excess of 2 percent by weight of the filling material in the product or which in the aggregate exceeds 5 percent of such weight; and, unless nondeceptively disclosed in the representation, not in excess of 5 percent by weight of the filling material of the product shall consist of waterfowl quill feathers, waterfowl damaged feathers, waterfowl crushed feathers, or waterfowl chopped feathers.

(iii) When the filling material of an industry product is represented, directly or indirectly, as being wholly of feathers (or natural feathers), any proportion within the tolerance percentage provided for in subparagraph (1) of this paragraph which is not natural feathers shall not contain quill pith, quill fragments, trash, or any matter foreign to feather and down stock in excess of 2 percent by weight of the filling material in the product or which in the aggregate exceeds 5 percent of such weight; and, unless nondeceptively disclosed in the representation, not in excess of 5 percent by weight of the filling material of the product shall consist of crushed feathers, chopped feathers, quill feathers, or damaged feathers.

(iv) When the filling material of an industry product is represented, directly or indirectly, as being wholly of a mixture of down and feathers, or of down and more than one kind or type of feathers, or of feathers of more than one kind or type, any proportion, or the aggregate of any proportions, of the filling material of the product at variance with the representation, but within the toler-

[1] The tolerance provided for in this paragraph is to be understood as being an allowance for error and as not embracing any intentional adulteration.

ance percentage provided for in subparagraph (1) of this paragraph, shall not contain quill pith, quill fragments, trash, or any matter foreign to feather and down stock in excess of 2 percent by weight of the filling material in the product or which in the aggregate exceeds 5 percent of such weight; and, unless nondeceptively disclosed in the representation, not in excess of 5 percent by weight of the filling material of the product shall consist of crushed feathers, chopped feathers, quill feathers, or damaged feathers.

NOTE: It is the concensus of the industry that determination as to whether any representation is violative of the provisions of this section should be based on an average of the results of tests of at least two products of the same type when same are readily available for testing, and that a proper method of testing such product would be as follows:

Samples of approximately equal weight and size should be drawn from at least three different locations in the product. Such samples should then be thoroughly mixed so as to assure of substantially uniform distribution of each kind and type of component material. From such mixture a test sample of not less than 3 grams weight should be drawn. The kinds and types of materials in said test sample should then be identified and separated and each kind or type then separately weighed and the percentage by weight of each kind and type computed from such weights. The identification of the various kinds and types of feather and down stock in the test sample should be made by a competent feather and down analyst.

(d) Nothing in this section is to be construed as relieving industry members from complying with the requirements of § 200.5 when the filling material of any industry product, or any component thereof, is used or second-hand, or from complying with the requirements of § 200.6 *"Cleanliness of feathers, down, and other components.* [Rule 3]

§ 200.4 *Disclosure as to covering materials.* It is an unfair trade practice to misrepresent or deceptively conceal the type or kind of fabric or other material used in covers and cases of industry products, or the fiber or material content of any inner, outer, permanent, or removable covers or cases.

NOTE: Products containing rayon, silk, or linen shall be identified as to their fiber and material content in labels, invoices, and advertisements, in accordance with the requirements of trade practice rules heretofore promulgated by the Commission for the Rayon Industry, Silk Industry, and Linen Industry.

Products containing, purporting to contain, or in any way represented as containing, wool, reprocessed wool, or reused wool, shall be labeled in accordance with the requirements of the Wool Products Labeling Act of 1939 and the rules and regulations issued thereunder.

[Rule 4]

§ 200.5 *Second-hand feathers, down, and other components.* To offer for sale, sell, or distribute any industry product containing any component which has previously been used in any product, or used for any purpose, without clearly disclosing that fact in describing, advertising, labeling, invoicing and selling such product, and in all representations concerning the product, is an unfair trade practice. It is likewise an unfair trade practice to misrepresent or deceptively conceal the type, kind, or amount of such components, or to use with reference to said products descriptive words, phrases, labels, or other representations which have the capacity and tendency or effect of misleading or deceiving purchasers or prospective purchasers concerning the effect on said material of such prior use or concerning the type, extent, method, or effect of any reprocessing, renovation, or resterilization of such material.

NOTE: Disclosure that feathers or down have been previously used may be made by clear and conspicuous use of the term "second-hand." Designation of such material as "reworked" or "reprocessed," or use of similar phrases, without further clear and conspicuous statement that such material is not new or has been previously used, is deemed misleading.

[Rule 5]

§ 200.6 *Cleanliness of feathers, down, and other components.* It is an unfair trade practice to sell or distribute for sale to the ultimate consumer, without full and nondeceptive disclosure concerning the unclean, unsanitary, and unsterilized nature of the contents, any industry product containing feathers, down, or other components which have not been sterilized and properly washed or otherwise properly cleaned, or containing used or second-hand feathers, down, or any other components which have not been re-sterilized and re-cleaned, such practice having the capacity and tendency or effect of causing purchasers or consumers to be misled or deceived by reason of concealment or nondisclosure of the condition of the feathers, down, or other contents of such product.

NOTE: Standard tests, such as the New York State Oxygen Test, should be used to determine whether feathers and down have been properly cleaned. Such a test may be made in the following manner:

Ten grams of feathers and down are transferred to a glass jar or similar container and 1 liter of distilled water at room temperature is added. The material is thoroughly wetted by shaking and placed in an incubator at 25° C. for one hour. It is then filtered through 19-cm. coarse filter paper, and 100 ml. of filtrate are pipetted into a porcelain casserole. The liquid is made just acid to litmus with 6 N sulfuric acid and 1 ml. of acid is added in excess. The solution is titrated in the cold with 0.1 N potassium permanganate by adding 2-drop portions and then stirring until a pink color persists for 60 seconds.

The number of milliliters of potassium permanganate used is noted, and calculated to number of grams of oxygen per 100,000 grams of sample (oxygen number). 1 ml. of 0.1 N $KMnO_4$=0.8 mg. of oxygen=80, oxygen, number.

Material having an oxygen number above 20 shall be deemed to be not properly cleaned.

[Rule 6]

§ 200.7 *Disclosure as to size.* (a) In connection with the offering for sale, sale, or distribution of industry products, it is an unfair trade practice to misrepresent or deceptively conceal the size of any product, or to advertise, mark, brand, stamp, tag, label, or otherwise represent or describe, any industry product in a manner having the capacity and tendency or effect of misleading or deceiving purchasers or prospective purchasers as to the size or any dimension of such product.

(b) In the application of this section, the following standards and tolerances shall be observed to the end that confusion, misunderstanding, deception, and unfair competitive practices may be avoided and prevented.

(1) Representations concerning the size of a product shall set forth or indicate the finished size of the product (that is, the dimensions of the product as offered for sale) in a clear, definite, and unambiguous manner.

EXAMPLE: Either "Finished Size—21x27" or "Size 21x27" is a proper label for a product with a finished size 21 inches wide and 27 inches long. A size label stating only "21x 27" is also deemed a representation that such is the finished size.

(2) In the case of representations concerning the finished size of industry products, a tolerance on each dimension of one-fourth inch for pillows and one inch for comforters will be allowed.

EXAMPLE: A pillow labeled "Size 21x27" is within the tolerance if the measurement of its shortest end and side is not less than 20¾x26¾ and the measurement of its longest end and side is not more than 21¼x27¼.

(3) Truthful disclosure of the cut size of a product's cover before sewing and filling may be made in conjunction with, and with no greater conspicuousness than, any disclosure of the finished size of the product, when explanation is made of the meaning of such cut size, and when such disclosure is made in a clear, definite, and unambiguous manner that does not mislead or deceive the purchaser or prospective purchaser concerning the finished size of the product.

EXAMPLE: A finished product size label stating only "Cut Size—21 x 27" does not comply with the foregoing rule. A proper label could read: "Finished Size—20 x 26; Cut Size of Cover Before Sewing and Filling—21 x 27."

[Rule 7]

§ 200.8 *Guarantees, warranties, etc.* (a) It is an unfair trade practice to use or cause to be used any guarantee which is false, misleading, deceptive, or unfair to the purchasing or consuming public.

(b) The following types of guarantees are examples of those considered unfair trade practices and in violation of this section:

(1) Guarantees which are so used, or are of such form, text, or character, as to import, imply, or represent that the guarantee is broader than is in fact true, and guarantees which in themselves or in the manner of their use are otherwise false, misleading, or deceptive.

(2) Guarantees which purportedly extend for indefinite or unlimited periods of time, or for such long periods of years, as to have the capacity and tendency or effect of thereby misleading or deceiving purchasers or users into the belief that the product has or is definitely known to have a greater degree of serviceability or durability in actual use than is in fact true.

(3) Guarantees which have the capacity and tendency or effect of otherwise misrepresenting the serviceability, durability, or lasting qualities of the

product, or of its feather and down content, or of its fabric covering or of any mothproofing or other special treatment or quality of such product.

(c) This section shall be applicable not only to guarantees, but also to warranties, to purported warranties and guarantees, and to any promise or representation in the nature of or purporting to be a guarantee or warranty. [Rule 8]

§ 200.9 *Fictitious price lists.* The publishing or circulating by any member of the industry of false or misleading price quotations, price lists, terms or conditions of sale, or reports as to production or sales, with the capacity and tendency or effect of misleading or deceiving purchasers, prospective purchasers, or the consuming public, or the advertising, sale, or offering for sale of industry products at prices purporting to be reduced from what are in fact fictitious prices, or at purported reductions in price when such purported reductions are in fact fictitious or are otherwise misleading or deceptive, is an unfair trade practice. [Rule 9]

§ 200.10 *Use of lottery schemes.* The offering or giving of prizes, premiums, or gifts in connection with the sale or distribution of industry products, or as an inducement thereto, by any scheme which involves a lottery or scheme of chance, and the sale or distribution of industry products by any method or plan which involves a lottery or scheme of chance, are unfair trade practices. [Rule 10]

§ 200.11 *Misrepresentation as to character of business.* It is an unfair trade practice for any member of the industry to represent, directly or indirectly, through the use of any word or term in his corporate or trade name, in his advertising or otherwise, that he is a manufacturer of feather and down products, or that he is the owner or operator of a factory or producing company manufacturing them, or that he owns, maintains, or operates a research laboratory devoted to feather, down, pillow, comforter, or bedding research and development, when such is not the fact, or in any other manner to misrepresent the character, extent, volume, or type of his business. [Rule 11]

§ 200.12 *False invoicing.* Withholding from or inserting in invoices any statements or information by reason of which omission or insertion a false or misleading record is made, wholly or in part, of the transactions represented on the face of such invoices, with the purpose or effect of thereby misleading or deceiving dealers, purchasers, prospective purchasers, or the consuming public, is an unfair trade practice. [Rule 12]

§ 200.13 *Combination or coercion to fix prices, suppress competition, or restrain trade.* It is an unfair trade practice for a member of the industry:

(a) To use, directly or indirectly, any form of threat, intimidation, or coercion against any member of the industry or other person unlawfully to fix, maintain, or enhance prices, suppress competition, or restrain trade; or

(b) To enter into or take part in, directly or indirectly, any agreement, understanding, combination, conspiracy, or concerted action with one or more members of the industry, or with one or more other persons, unlawfully to fix, maintain, or enhance prices, suppress competition, or restrain trade. [Rule 13]

§ 200.14 *Prohibited discrimination—*(a) *Prohibited discriminatory prices, or rebates, refunds, discounts, credits, etc., which effect unlawful price discrimination.* It is an unfair trade practice for any member of the industry engaged in commerce,[2] in the course of such commerce, to grant or allow, secretly or openly, directly or indirectly, any rebate, refund, discount, credit, or other form of price differential, where such rebate, refund, discount, credit, or other form of price differential, effects a discrimination in price between different purchasers of goods of like grade and quality, where either or any of the purchases involved therein are in commerce,[2] and where the effect thereof may be substantially to lessen competition or tend to create a monopoly in any line of commerce,[2] or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them: *Provided, however:*

(1) That the goods involved in any such transaction are sold for use, consumption, or resale within any place under the jurisdiction of the United States;

(2) That nothing in this section shall prevent differentials which make only due allowance for differences in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered;

(3) That nothing in this section shall prevent persons engaged in selling goods, wares, or merchandise in commerce[2] from selecting their own customers in bona fide transactions and not in restraint of trade;

(4) That nothing in this section shall prevent price changes from time to time where made in response to changing conditions affecting the market for or the marketability of the goods concerned, such as but not limited to actual or imminent deterioration of perishable goods, obsolescence of seasonal goods, distress sales under court process, or sales in good faith in discontinuance of business in the goods concerned.

(b) *Prohibited brokerage and commissions.* It is an unfair trade practice for any member of the industry engaged in commerce,[2] in the course of such commerce, to pay or grant, or to receive or accept, anything of value as a commission, brokerage, or other compensation, or any allowance or discount in lieu thereof, except for services rendered in connection with the sale or purchase of goods, wares, or merchandise, either to the other party to such transaction or to an agent, representative, or other intermediary therein, where such intermediary is acting in fact for or in behalf, or is subject to the direct or indirect control, of any party to such transaction other than the person by whom such compensation is so granted or paid.

(c) *Prohibited advertising or promotional allowances, etc.* It is an unfair trade practice for any member of the industry engaged in commerce[2] to pay or contract for the payment of advertising or promotional allowances or any other thing of value to or for the benefit of a customer of such member in the course of such commerce as compensation or in consideration for any services or facilities furnished by or through such customer in connection with the processing, handling, sale, or offering for sale of any products or commodities manufactured, sold, or offered for sale by such member, unless such payment or consideration is available on proportionally equal terms to all other customers competing in the distribution of such products or commodities.

(d) *Prohibited discriminatory services or facilities.* It is an unfair trade practice for any member of the industry engaged in commerce[2] to discriminate in favor of one purchaser against another purchaser or purchasers of a commodity bought for resale, with or without processing, by contracting to furnish or furnishing, or by contributing to the furnishing of, any services or facilities connected with the processing, handling, sale, or offering for sale of such commodity so purchased upon terms not accorded to all competing purchasers on proportionally equal terms.

(e) *Inducing or receiving an illegal discrimination in price.* It is an unfair trade practice for any member of the industry engaged in commerce,[2] in the course of such commerce, knowingly to induce or receive a discrimination in price which is prohibited by the foregoing provisions of this section.

(f) *Exemptions.* The inhibitions of this section shall not apply to purchases of their supplies for their own use by schools, colleges, universities, public libraries, churches, hospitals, and charitable institutions not operated for profit.

NOTE: In complaint proceedings charging discrimination in price or services or facilities furnished, and upon proof having been made of such discrimination, the burden of rebutting the prima facie case thus made by showing justification shall be upon the person charged; and unless justification shall be affirmatively shown, the Commission is authorized to issue an order terminating the discrimination: *Provided, however,* That nothing in this section shall prevent a seller rebutting the prima facie case thus made by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a

[2] As here used, the word "commerce" means "trade or commerce among the several States and with foreign nations, or between the District of Columbia or any Territory of the United States and any State, Territory, or foreign nation, or between any insular possessions or other places under the jurisdiction of the United States, or between any such possession or place and any State or Territory of the United States or the District of Columbia or any foreign nation, or within the District of Columbia or any Territory or any insular possession or other place under the jurisdiction of the United States."

competitor or the services or facilities furnished by a competitor.

[Rule 14]

§ 200.15 *Discriminatory returns.* It is an unfair trade practice for any member of the industry to discriminate in favor of one customer-purchaser against another customer-purchaser of industry products, bought from such member of the industry for resale, by contracting to furnish, or furnishing in connection therewith, upon terms not accorded to all customer-purchasers on proportionately equal terms, the service or facility whereby such favored purchaser is accorded the privilege of returning industry products so purchased and receiving therefor credit or refund of purchase price: *Provided, however,* That nothing in §§ 200.1 to 200.18 shall prohibit or be used to prevent the return of merchandise by purchaser, for credit or refund of purchase price, when and because such merchandise has not been properly labeled by the seller in accordance with §§ 200.1 to 200.18, or has been otherwise falsely or deceptively labeled or represented, or when and because such merchandise is defective in material, workmanship, or in any other respect is contrary to warranty or purchase contract. [Rule 15]

§ 200.16 *Commercial bribery.* It is an unfair trade practice for a member of the industry, directly or indirectly, to give, or offer to give, or permit or cause to be given, money or anything of value to agents, employees, or representatives of customers or prospective customers, or to agents, employees, or representatives of competitors' customers or prospective customers, without the knowledge of their employers or principals, as an inducement to influence their employers or principals to purchase or contract to purchase industry products manufactured or sold by such industry member or the maker of such gift or offer, or to influence such employers or principals to refrain from dealing in the products of competitors or from dealing or contracting to deal with competitors. [Rule 16]

§ 200.17 *Defamation of competitors or false disparagement of their products.* The defamation of competitors by falsely imputing to them dishonorable conduct, inability to perform contracts, questionable credit standing, or by other false representations, or the false disparagement of the products of competitors in any respect, or of their business methods, selling prices, values, credit terms, policies, or services, is an unfair trade practice. [Rule 17]

§ 200.18 *Aiding or abetting use of unfair trade practices.* It is an unfair trade practice for any person, firm, or corporation to aid, abet, coerce, or induce another, directly or indirectly, to use or promote the use of any unfair trade practice specified in §§ 200.1 to 200.18 [Rule 18]

GROUP II

General statement. Compliance with trade practice provisions embraced in §§ 200.101 to 200.102 is considered to be conducive to sound business methods and is to be encouraged and promoted individually or through voluntary cooperation exercised in accordance with existing law. Nonobservance of such sections does not per se constitute violation of law. Where, however, the practice of not complying with §§ 200.101 to 200.102 is followed in such manner as to result in unfair methods of competition or unfair or deceptive acts or practices in commerce, corrective proceedings in respect thereto may be instituted by the Commission as in the case of violation of §§ 200.1 to 200.18.

§ 200.101 *Use of size marks and labels.* The industry approves the practice of marking and labeling all industry products in a manner which accurately and nondeceptively discloses the size of such products and disapproves the practice of distributing and selling industry products which are not thus marked or labeled with respect to size. [Rule A]

§ 200.102 *Industry committee.* A Committee on Trade Practices is hereby authorized to cooperate with the Federal Trade Commission and to perform such acts as may be legal and proper in the furtherance of fair competitive practices and in promoting the effectiveness of this part.

Issued: April 23, 1951.

Promulgated by the Federal Trade Commission April 26, 1951.

[SEAL] D. C. DANIEL, *Secretary.*

[F. R. Doc. 51-4828; Filed, Apr. 25, 1951; 8:53 a. m.]

TITLE 24—HOUSING AND HOUSING CREDIT

Chapter VIII—Office of Housing Expediter

[Controlled Housing Rent Reg. Amdt. 370]

[Controlled Rooms in Rooming Houses and Other Establishments Rent Reg., Amdt. 365]

PART 825—RENT REGULATIONS UNDER THE HOUSING AND RENT ACT OF 1947, AS AMENDED

KANSAS AND MISSOURI

Amendment 370 to the Controlled Housing Rent Regulation (§§ 825.1 to 825.12) and Amendment 365 to the Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments (§§ 825.81 to 825.92). Said regulations are amended in the following respects:

1. In Schedule A, Items 116a, 118 and 119 are amended to read as follows:

(116a) [Revoked and decontrolled.]
(118) [Revoked and decontrolled.]
(119) [Revoked and decontrolled.]

This decontrols the following Defense-Rental Areas located in the State of Kansas: Great Bend, Junction City-Manhattan and Liberal.

2. In Schedule A, all of Item 170 which relates to Johnson, Leavenworth and Wyandotte Counties in the State of Kansas is deleted.

This decontrols the Counties of Johnson, Leavenworth and Wyandotte in the State of Kansas, portions of the Kansas City, Missouri, Defense-Rental Area.

All decontrols effected by this amendment are in accordance with the provisions of section 204 (j) (2) of the Housing and Rent Act of 1947, as amended.

(Sec. 204, 61 Stat. 197, as amended; 50 U. S. C. App., 1894)

This amendment shall be effective April 24, 1951.

Issued this 23d day of April 1951.

TIGHE E. WOODS, *Housing Expediter.*

[F. R. Doc. 51-4826; Filed, Apr. 25, 1951; 8:53 a. m.]

TITLE 32—NATIONAL DEFENSE

Subtitle A—Office of the Secretary of Defense

PART 31—DEFENSE CONTRACT FINANCING POLICY

Sec.
31.1 Purpose.
31.2 Definitions.
31.3 General policies.
31.4 Contract finance committee.
31.5 Advance payments.
31.6 Issuance of regulations.

AUTHORITY: §§ 31.1 to 31.6 issued under 61 Stat. 499, as amended; 5 U. S. C. 171-172j. Interpret or apply 55 Stat. 839, as amended, 62 Stat. 21, secs. 301-304, Pub. Law 774, 81st Cong.; 50 U. S. C. app. 611, 41 U. S. C. 151-161, E. O. 10210, Feb. 6, 1951, 16 F. R. 1049.

§ 31.1 *Purpose.* The purpose of this part is to establish basic contract financing policy for the Department of Defense to assure proper uniformity in policies, procedures, and forms, and to provide for application of the fundamental management principle of internal check and balance.

§ 31.2 *Definitions.* The term "financing" as used in this part covers government guaranteed loans, advance payments, and progress and partial payments (except partial payments for delivery of one or more completed units called for under a contract) necessary for both performance and termination purposes, to the extent authorized by law. (Insofar as progress and partial payments are concerned, it is contemplated that contract financing officers will participate in the development of appropriate standard contract provisions designed to avoid undue risk to the government and would participate only in specific cases involving unusual financial arrangements and conditions.)

§ 31.3 *General policies.* (a) Financing must support procurement and should be designed to aid not impede essential procurement, but should be so administered as to minimize the risk of monetary loss to the Government to the extent compatible with aiding essential procurement. To this end:

(1) In terms of organization, the financing function should be separated from the procurement function, but close cooperation between the procurement

and financing functions should be preserved at all times.

(2) Procuring activities in placing contracts must give due regard to the financial capabilities of the supplier.

(3) Government financing for production or services should be provided only if, and to the extent, reasonably required for prompt and efficient performance of government contracts and subcontracts.

(4) Financing through guaranteed loans or advance payments should be made available to a supplier in cases where (i) the production or service is essential and (ii) no alternative source is readily available.

(5) It is recognized that adequate protection against the financial impact of termination of government contracts and subcontracts should encourage suppliers to invest their own funds in performance under such contracts and that financing for termination purposes will be an important aid to ultimate reconversion of industry to peacetime activities. Accordingly, termination financing may be made available, with appropriate protection of the government's interest, either in connection with or independently of performance financing.

(6) If a disagreement arises between the financing office and the interested procurement activity in any department as to whether, to what extent, or in what form, financing should be furnished, the matter will be referred immediately to and resolved in the higher echelons of authority responsible respectively for financing and procurement functions, subject to any issue being resolved ultimately by the Secretary of the department concerned.

(b) When financing through loans or advance payments is requested, the interested procuring activity shall certify that the case meets the requirements set forth in paragraph (a) (4) of this section and shall accompany such certification with adequate supporting data pertinent to the case.

(c) Uniform financing policies and, so far as practicable, uniform procedures and standard forms are to be used by the Military Departments and, to the extent mutually agreed upon by the Military Departments, facilities and personnel are to be used in common. In formulating such policies, procedures, and forms due regard shall be given to the desirability of following, so far as consistent with present circumstances, the policies and procedures developed during World War II.

(d) In determining what form of financing shall be recommended or made available to suppliers, the following order of preference should generally be observed, recognizing that there may be valid exceptions in specific cases or classes of cases:

(1) Private financing (without governmental guarantee).

(2) Progress or partial payments.

(3) Guaranteed loans (with financing institutions participating to an extent appropriate to the risk involved).

(4) Advance payments.

(e) The responsibility for insuring uniform administration of financing in accordance with this part shall be in the Assistant Secretary of Defense (Comptroller). Specific cases need not be referred to the Office of the Assistant Secretary (Comptroller), unless policy or important procedural problems are involved, and the day-to-day financing operations shall be the responsibility of the Military Departments.

(f) Responsibility for financing in each Department shall be in the Under or Assistant Secretary responsible for the comptroller function, with the focal point of such activities at departmental headquarters although contract financing offices may be established at the operational level determined by that department.

(g) Guaranteed loans under section 301 of the Defense Production Act of 1950 (50 USC App. 2091) will be used primarily for working capital purposes as was done during World War II. Such guarantee authority will not be used for loans for facilities expansion.

(h) It is contemplated that essential facilities expansion will be provided pursuant to the authority and funds under sections 302, 303 (d) and 304 of the Defense Production Act of 1950 (50 USC App. 2092, 2093 (d), 2094) and pursuant to specific authority and funds available under appropriation to the Military Departments for this purpose.

(i) It is not the purpose of this part, however, to preclude guarantees in cases in which a relatively small part of the loan might be used for facilities expansion of a minor or incidental nature; provided, that the borrower's financial condition is such that the facilities expansion will not delay or impair repayment of a guaranteed loan which would be granted on a commercial banking basis.

§ 31.4 *Contract Finance Committee.* There shall be a Contract Finance Committee composed of a representative of the Assistant Secretary of Defense (Comptroller) as Chairman, a representative of the Munitions Board and two representatives of each Military Department (one representing procurement and one representing the contract finance office), which committee shall meet frequently. This Committee shall advise and assist the Assistant Secretary of Defense (Comptroller) in assuring proper and uniform application of policies and the development of procedures and forms, and may from time to time recommend to the Secretary of Defense through the Assistant Secretary of Defense (Comptroller) and the Munitions Board such further policy directives on the subject of financing as may appear desirable. For matters involving guaranteed loans, a representative of the Board of Governors of the Federal Reserve System may be invited to meet with the Committee. The Committee also may from time to time secure the advice of representatives of other branches of the Government and other persons and may invite such representatives and persons to its meetings.

§ 31.5 *Advance payments*—(a) *General.* (1) The following provisions will apply to all advance payments hereafter authorized; whether pursuant to the Armed Services Procurement Act of 1947 (62 Stat. 26) or pursuant to the First War Powers Act, as amended.

(i) Interest will be charged on all advance payments hereafter authorized, usually at the rate of 4 percent per annum on the unliquidated balance: *Provided, however,* Advance payments may be approved without interest when in connection with contracts which provide for performance at cost, (without profit or fee to the contractor), or when specifically authorized by the Assistant Secretary responsible for the comptroller function.

(ii) The responsibility and authority for making determinations and findings with respect to advance payments, and in each case for approval of contract provisions for advance payments, or for approval of the terms and conditions thereof, shall be in the Assistant Secretary responsible for the comptroller function in each Military Department. With respect to advance payments under the First War Powers Act, as amended, this authority may be delegated as provided in § 31.5 (b) (5).

(iii) If a disagreement arises between the financing office and the interested procurement activity in any department as to whether, to what extent, or in what form, financing should be furnished, the matter will be referred immediately to and resolved in the higher echelons of authority responsible respectively for financing and procurement functions, subject to any issue being resolved ultimately by the Secretary of the department concerned.

(iv) Each Department shall submit reports of financing activities at such times and in such form as may be prescribed by the Assistant Secretary of Defense (Comptroller).

(b) Under First War Powers Act, as amended:

(1) Pursuant to the First War Powers Act, 1941 (50 U. S. C. App. 611), as amended by the Act of January 12, 1951 (Public Law 921, 81st Congress), and Executive Order No. 10210 of February 2, 1951, the Department of the Army, the Department of the Navy, and the Department of the Air Force are authorized to make advance payments under contracts heretofore or hereafter made, without regard to other provisions of law relating to contracts, including advance payments under contracts awarded on competitive bids after formal advertising, and to amend such contracts to provide for advance payments,

(2) All contracts and amendments to contracts providing for advance payments made under the authority of the above-cited act and Executive order shall:

(i) Make reference to the act and the Executive order;

(ii) Include a finding that the national defense is facilitated thereby; and

(iii) Include the following clause:

Examination of records. (a) The Contractor (which term as used in this clause means the party contracting to furnish the supplies or perform the work required by this contract) agrees that the Comptroller General of the United States or any of his duly authorized representatives shall have access to and the right to examine any pertinent books, documents, papers, and records of the Contractor involving transactions related to such contract.

(b) The Contractor agrees to insert the provisions of this clause, including this para-

graph (b), in all subcontracts hereafter made, if such subcontracts provide for advance payments.

(3) The advance payment agreement under the above-cited act and Executive order should provide for deposit of all payments into special bank accounts and should include suitable covenants to protect the Government's interest. Advance payments under such authorizations should be limited to the contractor's financial needs, and withdrawals from the special bank accounts provided therefor should be closely supervised. The terms governing advance payments should include as security, in addition to or in lieu of the requirements for advance payment bond or other security, provision for a lien in favor of the Government, paramount to all other liens, upon the supplies contracted for, upon the credit balance in any special account in which such payments may be deposited, and upon such of the material and other property acquired for performance of the contract, as the parties shall agree.

(4) Complete data shall be maintained by each Department as to all contracts and amendments to contracts relating to advance payments made pursuant to the above-cited act and Executive order.

(5) Pursuant to the above-cited act and Executive order, the authority in each case to approve contract provisions for advance payments, or to authorize the terms and conditions thereof, may be delegated within each Department to the Assistant Secretary responsible for the comptroller function, with power of redelegation under such Assistant Secretary no further than, to the Chief of Finance (and an alternate within his office) in the Department of the Army, to the Assistant Comptroller, Accounting, Audit and Finance (and an alternate within his office) in the Department of the Navy, and to the Deputy for Contract Financing to the Assistant Secretary (Management) of the Air Force (and an alternate responsible to such Deputy for Contract Financing).

§ 31.6 *Issuance of regulations.* The Secretaries of the Army, Navy and Air Force may prescribe appropriate regulations, which shall be as uniform as practicable, to carry out the purposes of this part.

ROBERT A. LOVETT,
Acting Secretary of Defense.

APRIL 6, 1951.

[F. R. Doc. 51-4664; Filed, Apr. —, 1951; 8:45 a. m.]

Chapter V—Department of the Army

Subchapter D—Military Reservations and National Cemeteries

PART 557—SERVICE CLUBS AND LIBRARIES

REVISION OF PART

Part 557 is revised to read as follows:

SERVICE CLUBS

Sec.
557.1 General.
557.2 Responsibility.
557.3 Gambling.
557.4 Vending machines.
557.5 Alcoholic beverages.
557.6 Personnel.

ARMY LIBRARY SERVICE

557.10 General.
557.11 Responsibility.
557.12 Personnel.

AUTHORITY: §§ 557.1 to 557.12 issued under R. S. 161; 5 U. S. C. 22.

SOURCE: §§ 557.1 through 557.6 contained in AR 680-60, 23 Feb. 1951 and §§ 557.10 through 557.12 contained in AR 680-50, 15 Dec. 1950.

SERVICE CLUBS

§ 557.1 *General*—(a) *Application.* Sections 557.1 through 557.6 are applicable to all Army commands for the administration of service club facilities and service club director personnel assigned to service clubs within and without the continental United States.

(b) *Definitions.* For the purpose of §§ 557.1 through 557.6 the following definitions apply:

(1) *Service club.* A facility at an installation designed for use during off-duty time by enlisted personnel, their families and friends, which is adequately furnished with supplies and equipment suitable for a wide variety of welfare and recreational activities; and staffed by uniformed civilian service club director personnel.

(2) *Service club program.* All types of activities and services available to enlisted personnel, their families and friends, which are planned and executed under the supervision of professional civilian recreational directors assigned to the service club staff.

(3) *Service club director personnel (formerly designated as "hostesses").* Professional civilian recreational personnel at all echelons who are responsible for administering and operating the service club program. These may include staff service club director, assistant staff service club director or field service club director, staff program director, post service club director, service club director, assistant service club director, program director, and recreational assistant.

§ 557.2 *Responsibility.* (a) The Adjutant General formulates plans, policies, and procedures governing Army service clubs, is responsible for the supervision of the service club program, determines civilian personnel and supply requirements, and prepares budget estimates for appropriated funds necessary for administering and operating the service club program.

(b) The Quartermaster General is responsible for the procurement, storage, and distribution of essential service club supplies and equipment purchased from appropriated funds.

(c) Major commanders are responsible for the accomplishment of the mission of the service club programs. Special services officers of major commands are responsible for the development of the service club program.

(d) Staff service club directors who serve on the staff of the headquarters of a major command are responsible, under the general direction of the commander and the special services officer, for the technical supervision of the service club program within the command.

(e) The installation commander is responsible for the service club program under his jurisdiction, and will facilitate operations by authorizing use of necessary post facilities and equipment and an equitable allocation of funds.

(f) The special services officer is responsible to the installation commander for the general supervision of the service club program, including the procurement of essential funds, facilities, and personnel; and the coordination of the service club program with other recreational activities of the military and civilian community.

(g) The service club director is responsible for the operation of the service club and the administration of the program, facilities, and personnel assigned to the service club; and will perform duties as prescribed in § 557.6 (b).

(h) A post service club director may be appointed to assist the special services officer in the supervision of all post service club activities. In general, a minimum of three clubs is considered a reasonable basis for the establishment of this position.

§ 557.3 *Gambling.* No gambling or the use of any device which savors of gambling, such as punchboards, slot machines, and like devices, will be permitted in or about the service club or any of its facilities. This is not intended to prohibit socially approved games of chance, such as bingo and other activities conducted primarily for recreational purposes.

§ 557.4 *Vending machines.* Automatic or mechanical vending machines may be installed in any service club with the approval of the installation commander. The operation of such machines will be controlled by the post exchange service in accordance with pertinent Army regulations. The concurrence of the service club director will be obtained as to location of these machines in the service club building.

§ 557.5 *Alcoholic beverages.* No alcoholic beverages, including wine or beer, will be consumed, sold, or given away in or about the service club or any of its facilities.

§ 557.6 *Personnel*—(a) *General.* (1) All service club director personnel, including staff service club directors, paid from appropriated funds are appointed under Schedule A, Civil Service Rules and Regulations (5 CFR, 6.105g).

(2) In order to maintain approved standards for personnel paid from nonappropriated funds and to obtain a higher efficiency of operation, position classification pertaining to service club personnel employed under appropriated funds will apply.

(3) Rates of pay, travel allowances, and conditions of employment, including annual and sick leave benefits and hospitalization for nonappropriated fund employees, will be commensurate to those which apply to appropriated fund employees.

(4) Major commanders will be responsible for selection, assignment, promotion, transfer, and terminations involv-

ing personnel paid from either appropriated or nonappropriated funds.

(5) During the first 6 months of assignment, all service club director personnel will pursue such courses of instruction and on-the-job training as may be prescribed by the major commander concerned. The extension of this training period will depend upon the proficiency achieved.

(6) The first year of service will be considered a trial period. Major commanders will utilize this period as fully as possible to determine the fitness of each employee and may terminate her services during such period, if she fails to demonstrate fully her suitability and fails to meet the performance standards established.

(7) Not less than 30 days prior to the end of the trial period, the installation commander will determine whether or not an employee has rendered satisfactory service and should continue on duty or be terminated, and will notify the major commander concerned accordingly.

(b) *Positions and duties.* Service club director personnel may be assigned to the following positions and will perform duties set forth below:

(1) *At headquarters, major continental commands and appropriate oversea commands*—(i) *Staff service club director.* (a) Under the general direction of the special services officer formulates plans and policies, and exercises technical supervision of all service clubs within the command.

(b) Reviews qualifications, selects and orients service club director personnel, and recommends assignments within the command.

(c) Prepares program material and other pertinent information for dissemination to the field.

(d) Trains and directs service club director personnel in best methods of operating a dynamic program, and conducts periodic service club conferences.

(e) Coordinates field trips and training conferences conducted for service club personnel by other program and activity technicians.

(f) Develops contacts and maintains liaison with regional educational and recreational agencies for the purpose of improving and developing the technical and professional aspects of the service club program.

(g) Periodically inspects all service clubs in the command; reports and makes recommendations to appropriate commanders for the improvement of facilities and programs.

(h) Recommends plans for construction, conversion and repair of service club buildings.

(i) Evaluates reports and makes recommendations for accomplishing overall objectives of the service club program.

(ii) *Assistant staff service club director or field service club director.* Assists the staff service club director in accomplishment of duties outlined in subdivision (i) of this subparagraph and performs such additional duties as may be assigned. Primary duties will usually consist of technical supervision of service club operation through staff visits and conferences, and liaison between the staff service club director and service club director personnel in the field.

(iii) *Staff program director.* Assists the staff service club director in accomplishment of duties outlined in subdivision (ii) of this subparagraph and performs such additional duties as may be assigned. Usually prepares program material and technical recreational information for guidance of service club director personnel.

(2) *At post headquarters.* The post service club director:

(i) Supervises all service clubs at the installation and performs at post level the same type of duties as those performed by the staff service club director.

(ii) Conducts regular staff meetings and participates in program planning and execution.

(iii) Coordinates programs of all service clubs at the installation, compiles budget requests for recreational activities in the service clubs, consolidates requisitions and purchase orders for service club supplies, and consolidates reports on service club activities.

(iv) Advises and assists the special services officer and service club directors in developing, coordinating, and maintaining relations with nearby communities to secure effective use of local resources for the benefit of the service club program.

(v) When necessary, substitutes for other service club director personnel who are on sick or annual leave.

(3) *In service clubs*—(i) *Service club director.* (a) Under the general supervision of the post special services officer and the post club director, directs the service club operation, and initiates requests for improving existing facilities and activities.

(b) Plans and directs a well-rounded program of social and recreational activities for the service club, coordinated with other recreational activities of the installation.

(c) Supervises and directs the activities of all personnel assigned to or employed by the service club; plans and directs orientation and on-the-job training for newly assigned personnel.

(d) Selects, trains, and supervises clerical, maintenance, and other housekeeping personnel utilized in the operation of the service club.

(e) Submits monthly activities and financial reports as prescribed by Army regulations; prepares budgets and other necessary administrative papers.

(f) Assists in developing community relationships; determines need for volunteer services and participation; selects, trains, and assigns volunteers for duty in the service club.

(ii) *Assistant service club director and program director.* (a) Is normally assigned the planning and execution of the social and recreational activities of the service club.

(b) Shares recurring duties and responsibilities of administration and operation as delegated by the service club director.

(c) Assumes charge in absence of the service club director.

(iii) *Recreational assistant.* Performs duties assigned by the service club director which may include but are not limited to the following:

(a) Assists in planning and executing over-all recreational program in the service club.

(b) Plans and executes specific recreational activities under the supervision of the service club director.

(c) Performs routine duties relative to supply, publicity, maintenance, and like responsibilities as delegated by the service club director.

(c) *Qualifications.* (1) All service club director personnel, regardless of funds from which paid, will meet the qualifications as provided in this paragraph.

(2) All service club director personnel will possess the prerequisite personal qualifications of acceptable personality traits, integrity, and discretion. Prior to appointment, commanders will satisfy themselves as to the loyalty of such personnel, as provided in special regulations, and will cause a physical examination to be conducted by an officer of the Army Medical Service or the Public Health Service, or by a qualified civilian doctor, in accordance with CPR M–1.

(3) All service club director personnel will be single, female, and United States citizens.

(4) A combination of education and experience is required for all positions. Professional, paid experience with recognized social, recreational, or similar organizations may be substituted for college education at the rate of 1 year of experience for each year of education lacking, not to exceed 2 years of experience for 2 years of college training.

(5) Qualifications for service club positions are as follows:

(i) *Recreational assistant.* (a) Graduation from an accredited college or university with a major in recreation or a related field, and broad participation in a variety of recreational activities including arts and crafts, dramatics, music, or group recreation.

(b) Age at selection:

	Years
Minimum	24
Maximum	35

(ii) *Assistant service club director and program director.* (a) Must meet requirements for recreational assistant and in addition have 2 years paid recreational experience with educational, recreational, or similar organizations. One year of this experience as a recreational assistant with an Army or Air Force service club is desirable.

(b) Age at selection:

	Years
Minimum	26
Maximum	40

(iii) *Service club director.* (a) Must meet requirements for recreational assistant and in addition have 3 years paid professional experience with educational, recreational, or similar organizations, 1 year of which must have been in an Army or Air Force service club. Demonstrated ability to supervise personnel is required.

(b) Age at selection:

	Years
Minimum	30
Maximum	40

(iv) *Post service club director.* (*a*) Must meet requirements for recreational assistant and in addition have 4 years' paid professional experience with educational, recreational, or similar organizations, 2 years of which must have been in an Army or Air Force service club. Demonstrated ability to supervise personnel is required.

(*b*) Age at selection:

	Years
Minimum	30
Maximum	42

(v) *Staff service club director, assistant staff service club director, field service club director, and staff program director.* (*a*) Must meet requirements for recreational assistant and in addition have a minimum of 5 years' paid professional experience in adult recreation, at least 3 years of which must have been in an Army or Air Force service club, including one year as a club director. Demonstrated ability to supervise personnel and perform administrative duties is required.

(*b*) Age at selection:

	Years
Minimum	30
Maximum	45

(vi) *Age restrictions.* With the exceptions noted in subdivision (viii) of this subparagraph, no staff service club director, assistant staff service club director, field service club director, staff program director, or post service club director will remain on duty after having reached the age of 55; no service club director will remain on duty after having reached the age of 50; and no other recreational director personnel will remain on duty after having reached the age of 45.

(vii) Personnel now on duty, whose qualifications are less than the minimum qualifications required by this paragraph may be separated from the service at the discretion of the commander concerned.

(viii) *Exceptions in qualifications.* Major commanders may waive established qualifications, other than citizenship and professional requirements, only when fully qualified personnel are not available or when an incumbent has clearly demonstrated ability to perform the duties involved. Authority for waiver of qualifications will not be delegated.

ARMY LIBRARY SERVICE

§ 557.10 *General*—(a) *Application.* Sections 557.10 through 557.12 apply to Army Library Service provided under the supervision of special service officers at installations and hospitals.

(b) *Definitions.* The following terms are defined for the purpose of §§ 557.10 through 557.12.

(1) A "library" is a service agency established for the purpose of providing reading material of an educational, informational, recreational, technical, and reference nature to an Army installation. It comprises an organized collection of books, pamphlets, periodicals, documents, newspapers, maps, pictures, recordings, music scores, etc. A library may extend its services beyond the main library by means of branch libraries, bookmobiles, and other types of service units under centralized administrative control, and thereby become a "library system."

(2) "Librarian" refers to that civilian whose work requires the application of professional library techniques in library administration, supervision, organization, and operation.

(3) "Library assistant" refers to all persons in a library who perform work of a subprofessional nature not requiring extensive technical library training.

(4) "Library service" includes circulation of library materials; reference and readers' advisory service; ward library service in hospitals; field library service; maintenance of informational, educational, and vocational materials; compilation of special and technical bibliographies; coordination with activities requiring specialized book service; and the extension of this service to field library units, outposts, and maneuver areas.

§ 557.11 *Responsibility.* (a) The Adjutant General formulates plans and policies governing the Army Library Service and is responsible for the supervision of this service at all echelons of command.

(b) Major Commanders, through the installation commanders under their respective commands, are responsible for the accomplishment of the mission of the Army Library Service.

(c) The Special Services officer at all echelons of command is charged with the over-all direction of library service. He is responsible for the accomplishment of standards of service and for the preparation and justification of requests for funds to operate this service. At installations the Special Services officer may be designated the accountable property officer for library books.

(d) Librarians, under the general supervision of the Special Services officer, are responsible for the technical and mechanical processes and for library service.

(1) Staff librarians who serve on the staff of the headquarters of a major command are responsible for the administration of Army Library Service within a major command; for the formulation of broad policies for the operation of these libraries and for extensive essential research in library service; for the preparation of over-all library budget for submission to the Special Services officer.

(2) The chief librarian at an installation is responsible for the technical and mechanical processes of the post library system; for the quality and extent of library service rendered; for adjusting library operations to meet local needs; and for the selection of titles to be added to and withdrawn from the library's collection.

§ 557.12 *Personnel*—(a) *General* (1) The salaries of civilian library personnel may be paid from appropriated or nonappropriated funds. Funds appropriated for the pay of civilian professional librarians will be restricted to that use. All library personnel will meet the educational and experience requirements of paragraph (c) of this section.

(2) Librarians paid from appropriated funds are appointed under Schedule A, Civil Service Rules and Regulations (5 CFR, 6.105g).

(3) Librarian personnel paid from nonappropriated welfare funds will be required to qualify under the same standards as established for such personnel paid from appropriated funds. Rates of pay, travel allowances, and conditions of employment including annual and sick leave benefits will be commensurate to those applicable to employees on appropriated fund rolls.

(4) Prior to appointment of civilian library personnel, commanders will satisfy themselves as to the loyalty, integrity, and discretion of such persons and cause a physical examination to be conducted by an officer of the Army Medical Service, the Public Health Service or a qualified civilian doctor to insure fitness for such appointment.

(b) *Duties*—(1) *Staff librarian.* (i) Under the general direction of the Special Services officer of a major command, formulates plans and policies for the operation of the library service within the command, including fiscal studies therefor.

(ii) Prepares library budget for inclusion in the over-all Special Services budget.

(iii) Interviews and selects for recommendation candidates for library positions within the command. Arranges transfer of qualified personnel between installations within the command and advises The Adjutant General of vacancies and of librarians surplus to the needs of the command.

(iv) Provides appropriate training for library personnel.

(v) Conducts periodic conferences of librarians.

(vi) Completes surveys to determine the extent and type of library service being conducted or to be inaugurated in order to render adequate service.

(vii) Prepares consolidated quarterly reports covering library section of DA AGO Form 282 for submission to higher headquarters.

(viii) Analyzes monthly and quarterly library reports with view to improvement of library service. Recommends corrective action where deficiencies in operation are found.

(ix) Establishes and supervises the operation of field library service at small installations where a post librarian is not employed.

(x) Reviews and selects books for purchase to be used in post and field libraries.

(xi) Prepares publicity and informational material covering library service for submission to public information officer for release.

(xii) Supervises the operation of a library and/or library depot at the headquarters of a major command.

(xiii) Visits and inspects periodically all libraries in the command; reports and makes recommendations to appropriate commanders to assure high standards of library service.

(xiv) Attends professional library conferences, as directed by the commanding general, for the purpose of

keeping abreast of current developments in library service.

(2) *Assistant staff librarian.* Assists the staff librarian in carrying out the duties prescribed in subparagraph (1) of this paragraph and performs such additional duties of a professional nature as may be assigned.

(3) *Chief librarian; installations.* (i) Supervises all library service at an installation, including establishment and operation of technical and mechanical library processes.

(ii) Administers and directs the operations of a centralized library system which may have several branch libraries and field library collections.

(iii) Develops long range library policies with Special Services officer, including programs to meet changing needs as pertains to fluctuating strengths, types of military units served, and other factors.

(iv) Develops and keeps up-to-date book collections by selection of additions and replacements, and by screening and salvaging.

(v) Supervises the reference, bibliographical, readers' advisory and research services.

(vi) Plans, prepares, and justifies budgets for books, personnel, equipment, and supplies.

(vii) Selects, trains, and supervises subordinates and volunteers.

(viii) Acts as accountable property officer, when so assigned.

(4) *Librarian in charge of a branch library, station hospital type library, field library, bookmobile, or specialized department within a library system.* (i) Directs the library activity for which employed, including such duties as devising and implementing library activities; readers' advisory service; training of assistants; preparing library publicity material for release to post public information officer; performing such technical processes as book selection, procurement, accessioning, cataloging, and classification; performing reference and bibliographical services to patrons; supervising circulation routines; and such other professional duties as may be assigned.

(ii) In large central system may perform such specialized duties as centralized book selection; procurement; classification and cataloging; and reference and bibliographical work.

(iii) Works under direct supervision of the chief librarian.

(5) *Library assistant.* Works under the direction of a librarian and performs work of a subprofessional and clerical nature in the circulation and maintenance of the library collection, including tasks such as preparation of books for circulation; charging and discharging of library materials; shelf and catalog maintenance; record keeping; and related activities.

(c) *Qualifications*—(1) *Staff librarian.* (i) United States citizenship.

(ii) Graduate of a library school accredited by the American Library Association.

(iii) Four years of professional library experience, 2 years of which should be in an administrative position in Army Library Service.

(iv) Above experience to include 2 years in library administrative work; demonstrated ability in the organization and supervision of library; knowledge of the operation of Army installation libraries under appropriate Army Regulations, directive, and procedures.

(v) Extensive professional experience in readers' advisory work and a knowledge of reference and bibliographical sources, plus ability to administer library service as an instrument of adult education.

(vi) Ability to develop new programs and to adapt existing programs to changing situations and conditions.

(vii) Ability to administer and direct a large and diversified library program, involving knowledge of personnel administration and fiscal procedures.

(viii) Age at selection:

(*a*) Minimum—30 years.
(*b*) Maximum—45 years.

(2) *Assistant staff librarian.* (i) United States citizenship.

(ii) Graduate of a library school accredited by the American Library Association.

(iii) Three years professional library experience, including 1 year of administrative experience in Army Library Service.

(iv) Age at selection:

(*a*) Minimum—28 years.
(*b*) Maximum—40 years.

(3) *Chief librarian; installations.* (i) United States citizenship.

(ii) Graduate of a library school accredited by the American Library Association.

(iii) Professional knowledge of library organization and administration, reference and bibliography, book selection, and reader's advisory service.

(iv) Personnel characteristics including a sympathetic understanding of people as well as books; adaptability in adjusting library operations and services to meet the frequent military organizational, operational, and personnel changes.

(v) One year of administrative library experience is required when the library system includes a branch and/or specialized deposit collection.

(vi) Age at selection:

(*a*) Minimum—23 years.
(*b*) Maximum—40 years.

(4) *Librarian in charge of a branch library, station hospital type library, field library, bookmobile, or specialized department within a library system.* (i) United States citizenship.

(ii) Graduate of a library school accredited by the American Library Association.

(iii) Qualifications as outlined in subparagraph (3) (iii) and (iv) of this paragraph.

(iv) Age at selection:

(*a*) Minimum—21 years.
(*b*) Maximum—40 years.

(5) *Library assistant.* (i) United States citizenship.

(ii) Three years of college education. One year of paid library experience may be accepted in lieu of each year of college education.

(c) *Exceptions.* Within the continental United States exceptions may be made to any of the above qualifications other than citizenship and education. In oversea commands exceptions may be made to all qualifications other than education. Such exceptions as specified will be made only when individuals possessing all other desired qualifications are not available, and the interest of the service will best be served by the appointment or continued employment of an individual who can satisfactorily perform the duties involved. Responsibility for approving such exceptions will not be delegated to the installation commander, but will be that of the major commander concerned.

[SEAL] EDWARD F. WITSELL,
Major General, U. S. Army,
The Adjutant General.

[F. R. Doc. 51-4823; Filed, Apr. 25, 1951; 8:52 a. m.]

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter II—Economic Stabilization Agency

[Wage Adjustment Order 1]

WAO 1—RAILROAD WAGE ADJUSTMENTS

By virtue of the authority vested in me as Economic Stabilization Administrator by Executive Order 10161 of September 9, 1950 (15 F. R. 6105), and pursuant to the Defense Production Act of 1950 (Pub. Law 774, 81st Cong.); the President's Letter-Directive to me of April 6, 1951; my General Order No. 7 of April 9, 1951 (16 F. R. 3239); and, in order to expedite the disposition of urgent railroad wage matters now pending, and for other purposes, this Wage Adjustment Order No. 1 is hereby issued.

STATEMENT OF CONSIDERATIONS

On April 6, 1951, the President of the United States addressed a letter to the Administrator which states in part as follows:

On March 1, 1951, a collective bargaining agreement was signed between the carriers represented by the Eastern, Western, and Southeastern Carriers' Conference Committees and the nonoperating employees represented by the Fifteen Cooperating Railway Labor Organizations.

At present, there is no functioning administrative machinery by which this agreement can be reviewed and either approved or rejected in whole or in part in the light of wage stabilization rules and regulations.

As you know, the settlement of labor disputes in the transportation industry is covered by the Railway Labor Act of 1926. Traditionally, the Government has provided separate machinery to deal with the distinctive problems of the transportation industry * * *.

In the meantime, it is essential that some interim machinery be established whereby the agreement in the "non-operating" case be reviewed and recommendations for action be submitted to you. Accordingly, I am asking that you immediately establish an emergency panel to consider the "non-operating" case on its merits and to submit recommendations to you promptly regarding its disposition. Such recommendations could be made effective upon the approval of the Administrator * * *.

Pursuant to the President's letter, the Administrator, on April 9, 1951, established a Temporary Emergency Railroad Wage Panel. This Panel conducted open hearings on April 13, 1951, during which testimony and written evidence were offered in support of the request for approval of payments of wages of certain non-operating railroad employees, filed by the Eastern Carriers' Conference Committee, the Western Carriers' Conference Committee, and the Southeastern Carriers' Conference Committee with the Administrator under date of March 27, 1951. The Panel likewise considered proposed similar wage payments affecting closely related employers and employees in the railroad transportation industry. Following the hearings, and after consideration, the Panel submitted to the Administrator a written report, which included recommendations that payments be permitted as provided in this Wage Adjustment Order No. 1. The report of the Panel points out:

> In the first place, the bargaining processes involved in national wage cases are far more lengthy and cumbersome than those in other industries, due to the requirements of the Railway Labor Act and the multitude of carriers and unions.

The report also emphasizes that under the Railway Labor Act strikes are unauthorized until an elaborate procedure has been carried through to the end, which often takes as much as six months to complete; that these lengthy processes are complicated by national negotiations of the type involved due to numerous factors, including the requirement of the Railway Labor Act that each agreement ultimately be in the form of an agreement between each individual carrier and each particular craft or group comprising the bargaining unit; that in national wage cases numerous crafts are involved whose cases are at any given time in varying states of development due to various and sometimes accidental circumstances; and, that in national wage cases some unions and carriers may not actually participate in the bargaining but merely wait for the results of the principal negotiations.

The findings of the Panel demonstrate that collective bargaining in the railroad transportation industry is unique, and, within the framework of wage stabilization policies, requires the application of special standards to the matter here presented. Accordingly, this order is issued.

PROVISIONS

Sec.
1. Payments permitted by this order.
2. Definition.

AUTHORITY: Sections 1 and 2 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret or apply Title IV, Pub. Law 774, 81st Cong.: E. O. 10161, Sept. 9, 1950, 15 F. R. 6105.

SECTION 1. *Payments permitted by this order.* The following wages, salaries, and other compensation may be put into effect:

(a) Payments which, under the agreement of March 1, 1951, between the carriers and the non-operating employees represented by the Fifteen Cooperating Railroad Labor Organizations, became due prior to the effective date of this order or become due during the effective period of this order; and

(b) Payments which, under similar provisions in existing agreements covering other non-operating railroad employees, employees of the Railway Express Agency, and employees of other carriers covered by so-called "stand-by" agreements, became due prior to the effective date of this order or become due during the effective period of this order; and

(c) Payments which, by established custom and practice, would have or may become payable to certain other employees of carriers as the result of the payments permitted in paragraphs (a) and (b) of this section; and

(d) Payments which, in relation to paragraphs (a) and (b) of this section, are appropriate and corresponding for related employees, such as employees who are exempted from or not covered by provisions of labor agreements and whose compensation has in the past been adjusted in like cases.

SEC. 2. *Definition.* The words "wages, salaries, and other compensation" as used herein mean "wages, salaries, and other compensation" as defined in section 702 (e) of the Defense Production Act of 1950.

This Wage Adjustment Order No. 1 shall become effective on Tuesday, April 24, 1951, at 6:00 o'clock p. m., and it shall terminate at 12:00 o'clock p. m., on Saturday, June 30, 1951. All other orders, regulations, and directives of either the Wage Stabilization Board or the Administrator of the Economic Stabilization Agency, including General Order No. 3 of January 24, 1951 (16 F. R. 739), are hereby superseded to the extent that they are inconsistent herewith.

Issued: Washington, D. C., April 24, 1951.

ERIC JOHNSTON,
Administrator,
Economic Stabilization Agency.

[F. R. Doc. 51-4901; Filed, Apr. 25, 1951; 1:00 p. m.]

Chapter III—Office of Price Stabilization, Economic Stabilization Agency

[Ceiling Price Regulation 8, Supplementary Regulation 2]

CPR 8—AMERICAN UPLAND COTTON

SR 2—VALIDATION OF CERTAIN CONTRACTS FOR FUTURE DELIVERY OF AMERICAN UPLAND COTTON

Pursuant to the Defense Production Act of 1950 (Pub. Law 774, 81st Cong.), Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Supplementary Regulation 2 to the Ceiling Price Regulation 8 (16 F. R. 2060) is hereby issued.

STATEMENT OF CONSIDERATIONS

Section 402 (d) (1) of the Defense Production Act of 1950 provides that regulations issued under this Act "shall apply regardless of any obligation heretofore or hereafter incurred * * *" Under certain circumstances, this section provides relief to sellers whose "seasonal demands or normal business practices require contracts for future delivery * * *" of materials. To "prevent hardships and inequities" to such sellers with bona fide contracts in effect on issuance of a price regulation, this section provides that "the President shall make appropriate provision" therefor. The "hardships and inequities" referred to in this section were intended by Congress to cover far more than a shrinkage of profit realization on a contract cut across by a price regulation. This is clearly revealed by the text and context of the basic act and by its legislative history. Accordingly, this Agency has carefully scrutinized any claim for relief under section 402 (d) (1) and has required definite and specific proof of circumstances warranting its application.

For a number of considerations it has been deemed appropriate under section 402 (d) (1) to permit fulfillment of certain bona fide contracts for future delivery of American upland cotton, preexisting the issuance of Ceiling Price Regulation 8. These contracts which were entered into primarily between cotton merchants and mills, both domestic and foreign, before January 26, 1951, and, in any event, not later than March 4, 1951, fall into two categories: (1) On call contracts in which the price was fixed, if at all, after January 26, 1951, and (2) fixed price contracts. These contracts for future delivery of cotton are required by normal business practices. While production of American upland cotton is seasonal, the utilization of this cotton by mills is relatively steady throughout the year. To meet the demands of mills, cotton merchants perform the vital economic function of buying cotton and classifying it into even-running lots, compressing it, financing it, carrying it in storage until required by the mills, and finally shipping it to the mills. These merchants normally execute contracts with mills which call for delivery of cotton as much as twelve months in the future.

Unlike other commodities, cotton is sold to mills for the most part pursuant to what are known as "on call" contracts. Most of the contracts cut across by Ceiling Price Regulation 8 are of this kind. In terms of bales of cotton, it appears that about two-thirds of these contracts cannot be performed at ceiling prices except at a substantial out-of-pocket loss as well as loss of all profit by the cotton merchants.

The price in on call contracts is determined with reference to a "basis." This term refers to the difference between the spot price of cotton for a specified grade and staple at a specified place, and the current price of a cotton futures contract named in the sales contract. "Basis" is expressed as so many points on or off a particular futures month. With respect to such futures month, the "basis" represents the cotton merchant's judgment as to his capacity to deliver spot cotton to a mill with preservation of his handling and other costs as well as profit. An on call contract specifies which party has the right to fix the contract price within a certain time. In on call contracts, the mill normally has the "call" and fixes the contract price by

buying in a specified futures contract for the account of the merchant. The price of this futures contract applied to the contract "basis" establishes the contract price of the cotton.

A typical hardship situation which this supplementary regulation is designed to alleviate may be shown by the following example which is an actual case: On January 15, 1951, a merchant sold White and Extra White, Middling $1\frac{1}{8}$" cotton for future delivery at 300 points on March 1951, futures on buyer's call. The price of the cotton is fixed by the mill's purchase of a March futures contract. The contract price is then the sum of the basis and the price at which the mill buys in the futures contract. If the mill on March 10 purchased a March 1951, futures contract at the ceiling price, the contract price per pound would be 45.39 cents plus 3 cents or a total of 48.39 cents. This price, however, would be 1.25 cents per pound above the even-running lot ceiling price of 47.14 cents for deliveries on and after March 5, 1951 and, therefore, could not be validly paid to the cotton merchant. The latter's situation is aggravated by the fact that, in accordance with normal business practice, he previously hedged the on call mill sale by selling a March futures contract. His hedging loss, including 11 points broker's commission, based on his prior sale of a March futures contract at 43.75 cents, is 1.75 cents per pound. Assuming that the merchant had purchased cotton at 45.25 cents to fulfill his mill contract, his total cost of cotton and hedging operations is 47 cents. In addition, he has 120 points expenses in handling, sorting, compression, insurance, carrying and shipping charges. His total cost of cotton, hedging operations, and shipping the cotton is, therefore, 48.20 cents. As stated above, under Ceiling Price Regulation 8, the merchant cannot price his deliveries to the mill at more than 47.14. He suffers, therefore, on such deliveries a loss of 125 points on contract realization, of which 19 points is his loss of profit and 106 points is his out-of-pocket loss.

The second class of contracts to which this supplementary regulation is applicable are fixed price contracts. Within this group are contracts executed before January 26, 1951, in which the price was fixed before that date in excess of the ceiling prices subsequently established by either the General Ceiling Price Regulation or Ceiling Price Regulation 8. Also within this group are contracts validly entered into under General Ceiling Price Regulation at a fixed price in excess of the ceiling prices subsequently established by Ceiling Price Regulation 8.

According to the Commodity Exchange Authority, unfixed on call sales based on March, May, and July 1951, futures months amounted on January 25, 1951, to 1,425,000 bales, and on March 2, 1951, to 1,393,000 bales. No estimate was similarly available as to the number of bales to be delivered on fixed price contracts executed on or before January 25, 1951. These on call and fixed-price contracts can not be performed under the applicable ceiling price regulation except at a substantial out-of-pocket loss in addition to a loss of all profit by the cotton merchants. This conclusion has been reached on the basis of a careful examination of figures submitted by a representative group of thirty-three cotton merchants. Their figures show that they have fixed price contracts and on call contracts for future delivery of 355,220 bales of cotton entered into on or prior to January 25, 1951, in which the price fixed or to be fixed at current market conditions exceeds the ceiling prices for spot cotton established by the General Ceiling Price Regulation and Ceiling Price Regulation 8. If deliveries already made and to be made on these contracts cannot be priced according to their terms, these merchants cannot perform these contracts without incurring a total loss in contract realization of $2,131,320. Five-sixths of this loss represents out-of-pocket loss and one sixth represents a complete loss of profit. These losses were determined by applying the latest reliable per bale profit figures realized by these merchants on their 1950 total business of 2,732,234 bales. These figures show that the average per bale profit earned by these shippers in 1950 was approximately $1 per bale (or $\frac{1}{5}$ of a cent per pound) at an average landed value per bale of $175. These profit figures are in line with the average profit historically made by all merchants in the trade and are considered reliable. The total out-of-pocket loss, therefore, incurred and to be incurred by cotton merchants in carrying out these contracts in compliance with ceiling prices amounts to $1,776,100. Similarly, the total loss of profit amounts to $355,220.

It would be administratively unfeasible at the present time to examine the cost-price relationship under each individual contract. In the judgment of the Director of Price Stabilization, it is deemed appropriate, and, indeed, the only practicable solution under section 402 (d) (1) to permit all these contracts to be carried out to the extent allowed under this supplementary regulation.

This supplementary regulation provides for the fulfillment of bona fide contracts for the sale of American upland cotton in which the price was fixed on or before January 25, 1951, as well as fixed price contracts validly entered into under the General Ceiling Price Regulation. It also permits fulfillment of bona fide on call contracts entered into before March 5, 1951, by allowing application of the basis specified in the contract to a futures price not exceeding the applicable futures ceiling price at the time the contract price is fixed. Moreover, the price of previous deliveries on such contracts may be fixed at the prices allowed for future deliveries on such contracts.

REGULATORY PROVISIONS

Sec.
1. Fixed price contracts.
2. On call contracts.
3. Previous deliveries.

AUTHORITY: Sections 1 to 3 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret or apply Title IV, Pub. Law 774, 81st Cong., Executive Order 10161, Sept. 9, 1950, 15 F. R. 6105, 3 CFR, 1950 Supp.

SECTION 1. *Fixed price contracts.* (a) If you entered into a bona fide contract for future delivery of raw American upland cotton in which the price was fixed on or before January 25, 1951, you may deliver at the contract price.

(b) If you entered into a bona fide fixed price contract on or after January 26 but before March 5, 1951, in which the price was at or below your ceiling price established by General Ceiling Price Regulation, you may deliver at the contract price.

SEC. 2. *On call contracts.* If you entered into a bona fide on call contract before March 5, 1951, and the price was not fixed before such date, you may deliver at a price not exceeding the sum of your contract basis and 45.39 cents per pound. If the price in such a contract was fixed on or after January 26 but before March 5, 1951, the price for such deliveries shall not exceed the sum of your contract basis and your ceiling price (as established by the General Ceiling Price Regulation) for the futures month specified in the contract.

SEC. 3. *Previous deliveries.* If you delivered raw American upland cotton pursuant to contracts referred to in sections 1 and 2 of this regulation, you may fix a price for such cotton in accordance with this supplementary regulation and such pricing shall not be deemed in violation of the General Ceiling Price Regulation or Ceiling Price Regulation 8.

Effective date. This supplementary regulation is effective April 30, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

APRIL 24, 1951.

[F. R. Doc. 51-4866; Filed, Apr. 24, 1951; 4:00 p.m.]

[Ceiling Price Regulation 13, Amdt. 1]

CPR 13—RETAIL CEILINGS ON PETROLEUM PRODUCTS

MISCELLANEOUS AMENDMENTS

Pursuant to the Defense Production Act of 1950 (Pub. Law 774, 81st Cong.), Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Ceiling Price Regulation 13, Amdt. 1, is hereby issued.

STATEMENT OF CONSIDERATIONS

The accompanying amendment to Ceiling Price Regulation 13 clarifies sections 8 and 9:

The provision of sections 8 (1) and 9 (a) permitting 4 cents per gallon to be added to the tank wagon ceiling price for regular grade gasoline of a dealer's supplier plus or minus the customary retail differential for premium or third grade gasoline does not reflect the pricing method used in the territories, since margins are customarily lower than 4 cents in such areas. Such an addition would result in increased prices in these areas. Therefore, it is desirable that the territories and possessions of the United States be excluded from this pricing method.

The further purpose of this amendment is to make it clear that the filing required by section 8 (2) and 9 (b) is to be made within 60 days after the effective date of Ceiling Price Regulation 13, or within 15 days after a seller puts this method of pricing into effect.

AMENDATORY PROVISIONS

Ceiling Price Regulation 13 is amended in the following respects:

1. Section 8 (1) is amended by adding, at the beginning of the sentence, the following: "Except in the territories and possessions of the United States,".

2. Section 9 (a) is amended by adding, at the beginning of the sentence, the following: "Except in the territories and possessions of the United States,".

3. Section 8 (2) is amended by adding "within 60 days after the effective date of this regulation or within 15 days after you determine your ceiling price by this method" to the last sentence following the word, "located."

4. Section 9 (b) is amended by adding "within 60 days after the effective date of this regulation or within 15 days after you determine your ceiling price by this method" to the last sentence following the word, "located."

(Sec. 704, Pub. Law 774, 81st Cong.)

Effective date. This amendment, except as otherwise herein stated, shall become effective April 30, 1951.

NOTE: The reporting requirements of this amendment have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

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Director,
Office of Price Stabilization.

APRIL 24, 1951.

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[Ceiling Price Regulation 22]

CPR 22—MANUFACTURERS' GENERAL CEILING PRICE REGULATION

Pursuant to the Defense Production Act of 1950 (Pub. Law 774, 81st Cong.), Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Ceiling Price Regulation 22 is hereby issued.

STATEMENT OF CONSIDERATIONS

The Need for This Order

When the General Ceiling Price Regulation was issued on January 26, 1951, it was pointed out that the general freeze which it imposed upon prices at all levels of production and distribution was an emergency measure made imperative by the urgency of bringing the inflationary spiral to a halt. It was not intended to be a permanent basis of control, but rather a means of "holding the line" until specific regulations properly adapted to the needs of individual industries could be formulated and issued. In this connection the Statement of Considerations accompanying the General Ceiling Price Regulation said in part:

It is recognized that the issuance of one regulation covering millions of prices and sellers and thousands of industries, differing in structure, market organization and degree of complexity, cannot be expected to cover adequately the multitude of problems that arise in day-to-day pricing. It is, therefore, the intention of the Director of Price Stabilization to issue, as soon as practicable and after appropriate consultation, additional price ceiling regulations, some general in scope, and some tailored to meet the separate problems of individual industries.

This regulation constitutes a major step in this replacement of the freeze.

The price structure which was frozen by the General Ceiling Price Regulation was badly unbalanced in many respects. Prices had been changing very rapidly during the six months following the Korean outbreak, and, as is inevitable during a period of dynamic price change, there had been no adequate opportunity for the prices of commodities at different levels of production and distribution to achieve their normal mutual adjustments. In some industries prices had lagged behind the increase in materials costs and other costs of manufacture; in others prices had outrun the advance of manufacturing costs by a substantial margin. Within individual industries there were marked differences in the prices charged by competing companies. In particular, those businesses which had held back on price increases in an effort to cooperate with the stabilization program and in compliance with the voluntary pricing standards which had been issued on December 19, 1950, were at a marked disadvantage as compared with other concerns which had raised their prices and ignored those standards. Prices of some companies and in some segments of industry were frozen below actual production costs; other prices were far above any justifiable level. Even within single companies, prices of individual products were often out of balance; ceilings for some commodities were fully adequate while others were so low as to discourage continued production.

The Office of Price Stabilization has been moving as rapidly as its resources have permitted in the direction of ironing out the distortions and inequities imposed by the freeze. A series of regulations covering a large portion of the retail business of the United States has been formulated and issued. Specific orders covering a very few branches of manufacture have been prepared to remedy some of the most urgent outstanding problems. However, it has not been possible within the few weeks that have elapsed since the General Ceiling Price Regulation was issued to assemble either the resources needed to take faster action on a wider front nor the detailed information upon which such action would have to be based. As a result, the vast majority of manufacturers is still subject to the provisions of the general freeze, as are virtually all nonfood wholesalers and a significant number of retail establishments.

The urgency of taking prompt action toward the restoration of a balanced and sound price structure becomes daily more pressing. Complaints from manufacturers whose prices are frozen at levels at which they cannot continue to operate are accumulating. At the same time it is neither feasible nor sound policy to attempt to apply individual adjustments to such inequities on so broad a scale. It is not feasible because to do so would tax virtually the entire resources of the organization, which should rather be devoted to the formulation of a firm basis for continuing controls. It is not sound policy because to concentrate upon giving relief to hardship cases without a concurrent effort to roll back those prices which are clearly excessive would run directly counter to the objectives of the stabilization program.

It is obvious that the soundest way of restoring a balanced and equitable price structure in manufacturing would be by the issuance of a series of individual regulations tailored to meet the needs and peculiarities of each specific industry. However, although the Office of Price Stabilization is moving in this direction as rapidly as possible, there is no way in which the large number of specifically tailored regulations which this would require can be prepared and issued within any reasonable period of time. In many cases, the mere compilation of the data needed to form the basis for such orders would take months. The urgency of the present situation cannot permit such delay.

Consequently, it has become necessary to issue a regulation generally applicable to as large a segment of manufacturing industry as possible in order to meet the need for immediate action. It is obvious that no such regulation can fully reflect the diverse problems of the vast number of industries comprising the American economy. Nevertheless, it is believed that this regulation is generally fair and equitable in principle; that it will afford at least limited relief to most cases of hardship imposed by the general freeze; that it will serve simultaneously to require reductions in prices which are too high; and that it will constitute, therefore, a major step forward toward the restoration of a sound and properly balanced price structure. It is not expected that this regulation will be the ultimate basis of control for most of the industries which it covers, but rather that it will serve as a bridge between the price structure frozen by the General Ceiling Price Regulation and that which will ultimately be established through appropriate tailored regulations.

General Nature of the Regulation

The general principle under which this regulation has been formulated is a return to pre-Korean price levels, adjusted for certain increases in manufacturing costs which have occurred since the Korean outbreak. The price structure which prevailed during the period July 1949 to June 1950 is regarded as affording an appropriate starting point because prices and costs generally were in balance at levels which yielded satisfactory operating margins to the vast bulk of manufacturing industries. Adjusting these prices to take account of manufacturing cost increases since Korea should, therefore, restore generally sound price relationships. It

is true that there were a few industries whose prices were relatively low throughout this entire twelve month period; but so far as can be ascertained, raw materials costs for those industries were also low, and the adjustment for cost increases will be correspondingly greater. It is not the absolute level of the base period selling prices of any industry which is the significant test, but the adequacy of its pre-Korean operating margin. If that margin was sufficient to provide reasonable profits before Korea, the formula used in this regulation should yield a sound basis for current production.

The translation of this basic principle of pre-Korean prices plus an adjustment for cost increases since Korea into an equitable and administrable regulation required a number of basic decisions. The first was the selection of the base period. Under the Defense Production Act of 1950, "the President shall [in establishing price controls] ascertain and give due consideration to comparable prices * * * which he finds to be representative of those prevailing during the period from May 24, 1950 to June 24, 1950, inclusive, or, in case none prevailed during this period or if those prevailing during this period were not generally representative because of abnormal or seasonal market conditions or other cause, then those prevailing on the nearest date on which, in the judgment of the President, they are generally representative."

Upon due consideration, it appeared evident that the single month May 24 to June 24, 1950 referred to in the Act is unduly restrictive. The three months immediately preceding the Korean outbreak or, more precisely, the period April 1 to June 24, 1950, is clearly more representative for this purpose, and this is the general base period established in the regulation. However, while this period is an equitable basis for most industries, even three months is too short to avoid inequities due to seasonal factors or other special circumstances applicable to individual industries, companies, or commodities, as the Act itself anticipates. Consequently the regulation permits any manufacturer who finds the period April 1 to June 24, 1950, to be unrepresentative for a category of his products to select any one of the three preceding calendar quarters as his base period for that category. Seasonal influences on price are thus largely eliminated.

A second problem was the determination of the nature of the cost increases that could be added to pre-Korean prices. The increases over base period costs which may be taken into account under this regulation are limited to advances in manufacturing costs, that is, those costs affecting the labor and materials actually required for the production of the commodities covered.

The term manufacturing costs is defined broadly enough to cover all factory labor, including labor sometimes classified as indirect as well as direct labor, and all manufacturing materials whether they are incorporated directly into the commodity or are otherwise directly consumed in the manufacturing process. An earlier draft submitted for comment to representative manufacturers reflected only "direct" cost, but it was pointed out that this limitation had unequal and unfair impact upon those industries or companies where a large percentage of manufacturing costs was classified as "indirect", either because of the nature of the manufacturing process or for reasons of accounting convenience. In view of the evident validity of these objections, the limitation to "direct" costs was discarded after due consideration.

The calculations required to compute these increases in costs have been simplified as far as possible and several alternative methods of calculation are provided in order to meet the needs of manufacturers with different systems of accounting and record keeping. The process of computation will still require considerable work in many cases, but this is unavoidable. Even if each manufacturer were permitted to devise his own method of computing cost increases—a procedure which would obviously lead to erratic results—the work involved would still be very substantial.

No provision has been made for adjustments reflecting changes in overhead costs such as depreciation, general administration, sales, and research. The reasons for this are twofold. In the first place, there is no precise or uniform way by which such costs can be allocated to individual commodities or even to commodity groups. More important, unit overhead costs vary with volume, and there is no way in which future production volume can be forecast with any degree of accuracy. For most lines of manufacture, moreover, production has increased since Korea, with the result that overhead costs per unit of production have declined, despite increases in the salaries of administrative or research personnel. It is recognized that there may be cases for which this is not true, but whether overhead costs per unit have increased or decreased is essentially irrelevant to the principle employed in this regulation. The purpose of this regulation is to establish a level of prices which is generally fair and equitable, and a relationship between prices and costs which is sound and reasonable. If increased overhead costs for any manufacturer should be sufficient to create real hardship, he will have the opportunity of applying for individual adjustment to the extent necessary to avoid over-all loss. Any industry whose aggregate earnings are reduced below a normal peacetime base can apply for general price adjustment.

The calculation of materials cost increases is greatly complicated by the fact that this regulation and those accompanying it will affect not only manufacturers' prices but also manufacturing costs. Except for finished consumer goods, the products of one manufacturer are the raw materials of another. Consequently no manufacturer can determine accurately the current cost of the products he buys from another manufacturer until the latter has determined what his ceiling prices will be, and so on down the line. It would be clearly impractical, however, for each manufacturer to postpone his calculations until he had definite information as to the prices which his supplier will charge for materials; if this were done the process of mutual adjustment and readjustment would be strung out indefinitely. Consequently, it is expected that the calculations required under this regulation will have to be repeated in the reasonably near future in order to give effect to the impact of the regulation itself and other OPS regulations upon material costs. While no specific date has been set for this recalculation, it will be provided for as soon as practicable.

In the meantime, however, it is necessary to provide a definite basis for calculating materials costs increases, and one that will minimize the readjustments which could result from the anticipated recalculations. In particular it seems essential to avoid allowing prices to be increased under this regulation on the basis of current materials costs which the regulation itself may be expected to roll back. Consequently the regulation provides that manufacturers should, in general, give effect only to those increases in material costs which occurred up to December 31, 1950, on the assumption that the average price of materials subject to this regulation will be rolled back by the regulation itself to a level approximately that which prevailed last December. It is recognized that this is only a rough approximation, which will have to be adjusted subsequently through the planned recalculation, or through the issuance of tailored regulations.

An exception has, however, been made in the case of materials not covered by this regulation, and for which no rollback may therefore be expected in the immediate future. This includes such categories as the basic ores and metals, imported materials generally, and other raw materials. For such materials, and for factory labor, cost increases may be computed up to March 15, 1951.

A further exception had to be made in the case of certain farm products whose current prices are below the minimum standards established in the Act. For these materials, cost increases may be computed up to any current date.

Finally decision had to be reached as to whether manufacturers whose ceiling prices calculated under this regulation exceeded those established by the general ceiling should be permitted to put such increases into effect automatically, or whether some restrictions on increases should be imposed.

As stated above, it was one of the specific purposes of this regulation to afford relief to cases of hardship and inequity. On the other hand an automatic application of any formula of the kind provided in this regulation might permit some freak or fortuitous price increases which would be out of line with the basic objectives of the regulation. Such a result could be due in some cases to the formula itself, as it worked out in certain situations. The problem is increased if the formula is left completely self-executing, taking into ac-

count the possibility of honest or wilful misunderstanding, possibly compounded by inadequate records.

Serious consideration was therefore given to the advisability of imposing specific percentage limitations on the extent to which present ceiling prices could automatically be raised under this regulation. This approach was objected to by a group of representative manufacturers, and was discarded for a number of reasons. In the first place, any limitation of this kind would be highly arbitrary. Moreover, its impact would be most serious with respect to those manufacturers who had cooperated with the stabilization program and had avoided price increases or held increases to a minimum and were now frozen in an inequitable position.

It is recognized that some of the increases which will be granted may exceed those which would be required under an individual adjustment provision limited to hardship cases. However, many such increases would occur in any event as industry-wide ceilings were issued, and as companies frozen below the industry average adjusted to the general industry level. Moreover, any industry-wide ceiling, in restoring equitable price relations between competing firms in an industry, necessarily gives the more efficient firms in that industry more satisfactory profit margins than the inefficient firms.

It is the judgment of the Director that, in the overwhelming majority of cases, this regulation will not establish generally a higher level of prices than would be granted through the application of an industry earning standard.

For these reasons, the regulation does not specifically limit the extent to which current ceiling prices may be increased in accordance with its provisions. It does, however, stipulate that any manufacturer whose price for any commodity under this regulation is in excess of his present ceiling price, must file a report presenting all the relevant facts and calculations for review by the Office of Price Stabilization, and that he may not put such a price increase into effect until at least 15 days after he has filed this information. This will afford an opportunity for a review of such proposed price increases and a determination as to whether or not they are in fact justified and appropriate. If such review indicates that the increases are unjustified or excessive, the Director may take appropriate action to reduce the proposed price increases.

The Interim Character of This Regulation

Attention should be directed once again to the fact that this regulation is not intended as the final pricing action of the Office of Price Stabilization. This is a good working instrument, applied on a broad base, to reach a more just and equitable alignment of manufacturer's prices than was possible under the General Ceiling Price Regulation. The Office of Price Stabilization will continue to issue tailored industry regulations which utilize provisions geared to particular industry problems, practices, and situations.

The price levels which will be established by any such tailored regulations may be the same as those set by this regulation, or they may be increased or decreased in accordance with the ultimate pricing standards developed by the Economic Stabilization Agency. Higher price ceilings may be needed to take account of cost increases not recognized by this regulation, but only to the extent that the ultimate pricing standards do not require that such cost increases be absorbed.

Even in the administration of this regulation, supplementary regulations may be issued for particular industries so as to promote the objectives of the price stabilization program. For example, in appropriate cases it may be possible to announce a general labor cost increase factor, or a materials cost increase factor, or both, for application by an entire industry, or to specify a particular base period for the industry. These and similar techniques will permit the achievement of much of the goal of a uniform industry regulation, even before the entire tailored regulation is ready for issuance. They will also afford a means of rectifying any wide disparities between the ceiling prices established for competing sellers of the same or similar commodities.

The Problem of Cost Absorption

In adopting as its basic principle the adjustment of pre-Korean price levels to take account of the increase in manufacturing costs which has occurred since Korea, this regulation follows the only practicable method of restoring a balanced and generally equitable price structure that is available. This should not, however, be interpreted as constituting an acceptance or endorsement of the principle of automatic or indefinite cost escalation. It would be wholly unsound to base any continuing price control program or policy on the assumption that increases in costs should be automatically reflected in increases in price. This would result not in price control, but rather in rubber-stamped inflation.

No system of price control can do its job if each increase in costs is immediately and automatically translated into rising prices. Such a policy would leave us within the very same vicious circle of cost and price increases which it must be the primary object of any stabilization program to break.

A substantial defect in any automatic escalation formula lies in the fact that an increase in the unit price of a purchased material or service or in the wages paid labor does not necessarily mean that the unit cost of producing a commodity is increased in the same proportion or even increased at all. Improvements in productivity, economies associated with a high level of operations, and the effect of volume changes on unit fixed costs all operate to destroy any exact parallel between material prices and wage rates and total cost per unit of output.

Any automatic translation of higher unit cost into higher prices would destroy much of the incentive to efficient operation. This principle is recognized in the methods of calculation prescribed in the regulation. Under its provisions, a manufacturer can retain the benefits which he would normally derive from improved production methods. For example, if fewer man-hours are now used to produce a commodity than before Korea, or if wastage of materials has been curtailed, the manufacturer is not required to reflect such economies in price reductions, but is permitted to retain these savings just as he would in a normal competitive market. Similarly, under any general industry ceiling, there is incentive for each individual manufacturer to increase efficiency. Finally, although an industry ceiling regulation must assure an adequate level of profits to the industry generally, it does not follow that each individual manufacturer must be permitted to retain the unit profit margin he enjoyed immediately before Korea.

Consequently, the cost-plus principle is incorporated in the present regulation only to a limited extent. It is used as the best available device for reestablishing a balanced and equitable price structure and should not be construed as implying any guarantee of profit levels. Not all cost increases are recognized, and in particular, neither increases nor decreases in certain indirect costs are taken into account. This does not mean that the cost changes which have not been taken into account are any less real than those which have. Thus, increases in the salaries of clerical and administrative personnel in the central office are paid in the same currency as the higher wages of a factory worker. It does mean that the impact of these indirect costs on the unit cost of a commodity varies with volume, and that the regulation is intended to arrive at an equitable level of prices, rather than to guarantee an inviolate rate of profits.

It is particularly important to emphasize that this regulation allows only for past increases and carries with it no implication that increases which may occur subsequently will be treated on a similar automatic basis. The provision for recalculation of prices at a date in the near future is not intended to do more than carry through the necessary readjustment of cost-price relationships which this regulation seeks to achieve. The December 31 cut-off date for calculating the increases in the cost of materials which are subject to this regulation is an interim expedient and is too rough a measure for continuing control. The recalculation is, therefore, merely the anticipated second stage in restoring price balance.

It is in the light of this principle also, that March 15, 1951, has been stipulated as the cut-off date for calculating increases for materials not subject to this regulation, such as imported materials, and for increases in wage rates and freight costs. Manufacturers whose costs may increase after that date because of wage increases, or higher prices for certain imported materials, or for other reasons, may ask why they should not be permitted to translate those higher costs automatically into higher prices. It is, of course, true that cost increases after March 15 are just as real as those which occurred before that

date. However, as pointed out above, if price controls are to be real and not illusory, the cost-price cycle must be broken at some point. The cut-off date of March 15 is one of the ways in which the break in this price-cost cycle must be accomplished. The date is, to some extent, arbitrary, but some date had to be set. An earlier date would have increased the number of individual firms and industries which would be forced to petition for specific relief. A later date would have resulted in an unjustifiably high level of prices in too many instances. Accordingly, the Director has selected March 15 as a date which would be generally equitable, which would prevent excessive price increases under this regulation, and at the same time minimize the number of cases requiring individual adjustment, or the processing by the Director of meritorious requests for industry-wide price adjustments.

It should be emphasized that selection of the March 15 date does not mean that cost increases after that date will be ignored. Rather, it means that they will not automatically be reflected through an individual firm's application of the formula contained in this interim regulation. Although the Director has determined that the principle employed in this regulation will provide interim ceilings which are fair and equitable for manufacturing industry generally, it is of course impossible to make this finding individually for each of the hundreds of separate industries covered by the regulation. If it should develop that for any industry, the ceilings calculated under this regulation do not satisfy the basic pricing standards shortly to be promulgated, the industry is invited to submit the facts necessary to demonstrate this condition. Peculiarities of an industry's base period, cost increases between the end of its base period and March 15 not recognized under this regulation, or cost increases after March 15, may unfairly reduce an industry's earnings below a normal peace-time level. Upon a proper showing of facts, the Director is prepared to take such action as is required to make the ceilings generally fair and equitable to each such industry. Normally, such price adjustment might be expected to be made in the process of substituting a more tailored regulation for this interim one.

Adjustment Provision

It cannot, of course, be anticipated that any general regulation of this character can cure all cases of hardship or inequities imposed by the freeze; nor can it avoid imposing hardship in special circumstances. It is, therefore, recognized that provision must be made for the adjustment of individual hardship cases. The regulation permits a manufacturer who under this regulation would be forced to operate at a loss to apply for an adjustment of his ceiling prices. This provision is not intended to take care of losses resulting from unusual or seasonal factors which would normally cure themselves; nor is it intended to provide an inefficient manufacturer with a level of prices substantially in excess of that which is adequate for the bulk of his competitors. The Office of Price Stabilization expects to act upon petitions for relief submitted under this provision promptly, and if no action is taken within thirty days after the request has been submitted the applicant is permitted to sell at the prices proposed in his petition until the Office has taken final action.

Commodities Exempted From the Regulation

A number of major segments of manufacturing industry have been exempted from this order for varying reasons. These exemptions are listed in detail in Appendix A to this regulation. The commodities exempted include those for which specific regulations have already been issued or are very close to issuance; products for which cost changes are particularly difficult to compute under any general formula, such as the primary mining and metallurgical industries and lumber; and certain foods and other products to which the application of the formula would be peculiarly difficult. In addition, of course, general exemptions from price control previously in force for legal or administrative reasons will be continued.

Almost simultaneously with this regulation it is expected that parallel regulations embodying the same general principles will be issued for the machinery, cotton textile, and apparel industries. These special regulations will differ from this general regulation in detail rather than in principle. As in the case of this general regulation, they will establish ceiling prices upon the basis of pre-Korean levels adjusted for the increase in manufacturing costs since Korea, but the methods of calculations prescribed have been modified to adapt them more closely to the cost structures of the industries they cover. They, too, are intended to serve as a bridge pending the establishment of a final tailor-made basis of control.

These general readjustments of manufacturers prices must, of course, be reflected by distributors. Under previously issued price regulations, such adjustments can be made automatically by most retailers. It is expected that before the effective date of this regulation, provision will be made to permit wholesalers generally and retailers not now covered by specific regulations to make the necessary adjustments in their respective ceiling prices. In this way balance will be restored between prices at successive levels of production and distribution; and such balance is the essential prerequisite to any stable system of controls.

Small Business Exemption

It is recognized that many small manufacturing concerns may find it more difficult than larger companies to make the calculations prescribed in this regulation. Consequently, any manufacturer whose gross sales during his last annual accounting period were less than $250,000 may elect to continue to price his products under the provisions of the General Ceiling Price Regulation rather than under those of this regulation.

Anticipated Effect on the Price Level

The application of this regulation and those accompanying it will, as indicated, result in a large number of price changes of varying directions and magnitude. It is impossible to predict with accuracy what the net effect will be upon the general price level, but there is every indication that at least a moderate reduction of average wholesale prices should result, except to the extent that rising costs of farm products below parity and uncontrolled imported materials have to be reflected. In general, manufacturers maintained customary mark-ups on the cost increases sustained between June 24 and January 26 (the date of the GCPR). This regulation permits no mark-up on these increased costs. To the extent that some manufacturers raised their prices in anticipation of cost increases that did not occur, or in order to have a favorable base price in the event of an anticipated price freeze, still larger rollbacks will ensue.

Consultation With Industry Representatives

The wide coverage of this regulation made it a practical impossibility to consult in detail with representatives of all the industries affected. However, consultations were held with a special group of business leaders selected from many major branches of industry, and their advice and suggestions were given the most careful consideration in the formulation of the final regulation. Consultations were also held with a group of accounting specialists with respect to the cost-accounting features of the regulation, and its provisions were informally discussed with numerous representatives of different industries.

Findings of the Director

In the judgment of the Director of Price Stabilization, the issuance of this regulation is imperative to iron out the distortions in the structure of manufactured goods prices which were frozen by the GCPR. The Adjustment of these distortions cannot await the necessarily lengthy process of issuing tailored regulations on an industry-by-industry basis. To permit such delay would be to court disastrous effects upon production and distribution. By easing the immediate pressures, this regulation will provide the time needed to work out a more precise and fully integrated system of continuing controls. Work on such a system, which has been under way at a constantly increasing pace ever since the issuance of the GCPR, will now be further accelerated.

REGULATORY PROVISIONS

COVERAGE

Sec.

1. Sellers and sales covered by this regulation.

CEILING PRICES ESTABLISHED

2. Ceiling prices established by this regulation.

CEILING PRICES FOR COMMODITIES DEALT IN BETWEEN JULY 1, 1949, AND JUNE 24, 1950

3. How to determine your ceiling price for a commodity you sold or offered for sale between July 1, 1949 and June 24, 1950.

BASE PERIOD PRICE

AUTHORITY: Sections 1 to 51 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret or apply Title IV, Pub. Law 774, 81st Cong., E. O. 10161, Sept. 9, 1950, 15 F. R. 6105, 3 CFR, 1950 Supp.

COVERAGE

SECTION 1. *Sellers and sales covered by this regulation.* This regulation covers you if you are a manufacturer located in the United States (not including territories or possessions) or the District of Columbia. It applies to any sale of any commodity as to which you are the manufacturer, except sales of commodities listed in Appendix A and sales at retail. With these exceptions, the General Ceiling Price Regulation is superseded by this regulation as to manufacturers in the United States or the District of Columbia. If, however, your gross sales for your last complete fiscal year were less than $250,000 you may elect not to use this regulation, but if you so elect, you may not use this regulation for any of your commodities.

CEILING PRICES ESTABLISHED

SEC. 2. *Ceiling prices established by this regulation.* This regulation establishes ceiling prices for commodities dealt in between July 1, 1949 and June 24, 1950, and for new commodities introduced subsequent to June 24, 1950. There are also special provisions relating to (a) rounding ceiling prices, (b) retention of ceiling prices established under the General Ceiling Price Regulation where the change in price is less than 1 percent, (c) reduction of ceiling prices to reflect any increase in the value of scrap or waste material, (d) adjustment of ceiling prices quoted on a delivered basis for increases in transportation costs, and (e) adjustment of ceiling prices for commodities manufactured in more than one of your plants.

CEILING PRICES FOR COMMODITIES DEALT IN BETWEEN JULY 1, 1949 AND JUNE 24, 1950

SEC. 3. *How to determine your ceiling price for a commodity you sold or offered for sale between July 1, 1949 and June 24, 1950.* (a) Your ceiling price to your largest buying class of purchaser for sale of a commodity which you sold or offered for sale at any time between July 1, 1949 and June 24, 1950, is your base period price for the commodity, plus "the labor cost adjustment" and "the materials cost adjustment". Section 47 (Definitions) explains the meaning of "your largest buying class of purchaser". Sections 4 through 6 tell how to obtain your base period price. Sections 7 through 9 tell how to calculate "the labor cost adjustment". Sections 10 through 16 tell how to calculate "the materials cost adjustment". If you do not wish to make either of these calculations you may use your base period price as your ceiling price to your largest buying class of purchaser. If you wish to calculate only one of the adjustments you may do so, in which case you will add only the amount of that one adjustment to your base period price.

(b) Your ceiling price for sale of the commodity to your largest buying class of purchaser must be consistent in every respect with your base period price, e. g., it must carry all customary delivery terms, cash, trade and volume discounts, allowances, premiums and extras, deductions, guarantees, servicing terms and other terms and conditions of sale.

(c) Your ceiling price for sale of the commodity to your other classes of purchasers to whom you made sales during your base period is determined by applying your price differentials last used during your base period. In the event you made no base period sales to a particular class of purchaser, you apply your customary differentials in effect during your base period, or if none, then those last in effect before your base period. If you are selling to an entirely new class of purchaser you determine your ceiling price under section 33 for that class of purchaser. For each class of purchasers you must maintain all customary delivery terms, cash, trade and volume discounts, allowances, premiums and extras, deductions, guarantees, servicing terms and other terms and conditions of sale which you had in effect during your base period. An explanation of what is meant by "class of purchaser" is found in section 47 (Definitions).

BASE PERIOD PRICE

SEC. 4. *Base period.* "Base period" refers to the period April 1 through June 24, 1950 or any previous calendar quarter ended not earlier than September 30, 1949, which you may elect to use. Whatever base period you elect must be used for all commodities in the same category. There is an exception in case of a commodity which you did not deliver during that base period, and which you did not make the subject of a written offer for delivery during that base period, and for which you did not have a price list in effect during that base period. In that case you may use for that commodity any other base period permitted under this section.

SEC. 5. *Category.* "Category" refers to a group of commodities which are normally classed together in your industry for purposes of production, accounting or sales. This is the same definition as used in section 4 (c) of the General Ceiling Price Regulation. You may,

however, exclude from any category any commodity or group of related commodities for which the base period you have elected to use for the category is unrepresentative because of special seasonal characteristics of that commodity or group of related commodities. In that case, treat the commodity or related group of commodities as constituting a separate category.

SEC. 6. *How to obtain your base period price.* Your base period price for a commodity is obtained as follows:

(a) If, during your base period, you delivered the commodity or contracted in writing to sell the commodity at a firm price, you find the highest price to your largest buying class of purchaser at which such a delivery or such a contract of sale was made.

(b) If you did not make such a delivery or contract, you find the highest price at which you made a written offer for base period delivery to your largest buying class of purchaser.

(c) Instead of the price under paragraph (a) or (b) of this section you may use your price, to your largest buying class of purchaser, which you announced in writing in a price list, catalogue, or similar statement showing your prices for one or more commodities. To use this paragraph (c) you must either have announced the prices during your base period, or have announced them previously and had them in effect during your base period. Also you must have communicated the prices to the trade or a substantial number of customers in your customary way. Further, you must have made substantial deliveries at these prices after your written announcement of the prices. If you use this paragraph (c) for any commodity you must also use it for all other commodities covered by the same announcement.

(d) If your base period price includes any excise, sales or other similar tax which is not separately stated, you must follow the instructions contained in section 36.

(e) If your base period price is expressed as a list price less discounts, you may make the adjustments of the base period price under section 3 (a) upon the basis of the net price to your largest buying class of purchaser.

Example: Your base period "list" price for commodity A is $12 less a 20 percent discount to your largest buying class of purchaser. "The labor cost adjustment" and "the materials cost adjustment" which you are permitted to add to your base period price total $3.84. You first take 80 percent of $12, thus applying the 20 percent discount. The resulting amount, $9.60, plus $3.84 equals $13.44, your "net" ceiling price to your largest buying class of purchaser. You can figure your "list" ceiling price by dividing your "net" ceiling price ($13.44) by the same percentage (80 percent), giving $16.80. Applying the 20 percent discount to your largest buying class of purchaser gives you $13.44, or your "net" ceiling price to that class of purchaser.

(f) If, during your base period you customarily produced the same commodity at two or more manufacturing establishments of your business and sold it at different prices depending upon the place of production, you must obtain a separate base period price and determine a separate ceiling price for each such establishment.

HOW TO CALCULATE THE LABOR COST ADJUSTMENT

SEC. 7. *General description of how to calculate "the labor cost adjustments".* Sections 8 and 9 tell how to calculate "the labor cost adjustment". The calculations under both sections are designed to yield an average percentage increase in your factory labor cost based upon net sales and factory payroll data for your last fiscal year ended not later than December 31, 1950. This percentage is referred to as your "labor cost adjustment factor". Under section 8, the net sales and factory payroll data are for your entire business and the labor cost adjustment factor will be applied uniformly to the base period prices of all of your commodities. Under section 9, the net sales and factory payroll data are for a unit of your business and the labor cost adjustment factor will be applied uniformly to the base period prices of all commodities produced in that unit. If the commodities produced in the several units of your business have experienced significantly different labor cost increases, it will probably be to your advantage to use section 9 so as to reflect these differences more appropriately.

SEC. 8. *How to calculate "the labor cost adjustment" upon the basis of your entire business.* To calculate "the labor cost adjustment" upon the basis of your entire business, you do the following:

(a) Find the dollar amounts of your net sales and of your factory payroll for your entire business for your last fiscal year ended not later than December 31, 1950. You may not include in factory payroll, labor used in general administration, sales and advertising, or research, or in making major repairs or replacement of plant or equipment or in expansion of plant or equipment. Labor used in factory supervision, packaging and handling, ordinary maintenance and repair of plant or equipment, or in materials control, testing or inspection may, however, be included.

(b) Divide the dollar amount of your factory payroll found under paragraph (a) of this section by the dollar amount of your net sales found under (a). This will show what percentage your factory payroll is of your net sales. This percentage is referred to as your "labor cost ratio".

(c) Find the dollar amount of your factory payroll, as limited in paragraph (a) of this section, for your last payroll period ended not later than the end of your base period (if your base period is April 1 through June 24, 1950, you should use your last payroll period ended not later than June 30, 1950). The term "end of your base period" is explained in section 47 (Definitions). This payroll is referred to as "your base period payroll". Compute what the dollar amount of your base period payroll would have been upon the basis of your wage rates in effect on March 15, 1951. This is referred to as "your recomputed payroll". You may add to your recomputed payroll a dollar amount to reflect, for the labor covered by that payroll, any increase between the end of your base period and March 15, 1951, in the cost to you of insurance plans, pension contributions for current work, paid vacations and similar "fringe benefits". You may make the calculations called for by this paragraph in whatever appropriate way is best adapted to your accounting records and your basis of wage payments, e. g., hourly rates, piece-work, or any other system of wage payments used by you.

(d) Divide the dollar amount of the difference between your recomputed payroll and your base period payroll by your base period payroll. The resulting percentage is referred to as your "wage increase factor."

(e) Multiply your labor cost ratio derived under paragraph (b) of this section by your wage increase factor derived under paragraph (d) of this section. The resulting percentage is referred to as your "labor cost adjustment factor."

(f) Multiply the base period price of the commodity being priced by your labor cost adjustment factor. The resulting amount is "the labor cost adjustment" to be added to the base period price in accordance with section 3 (a).

(g) If you use this section, it must be used for all of your commodities.

Example: (a) Your fiscal year is the calendar year. Your net sales for the twelve months ended December 31, 1950, were $1,000,000. Your factory payroll for the year was $300,000 (the required exclusions having been made in arriving at this figure).

(b) $300,000 divided by $1,000,000 is 30 percent. This is your labor cost ratio.

(c) Your factory payroll for the week ended June 24, 1950, was $6,000 (the required exclusions having been made in arriving at this figure). At wage rates in effect March 15, 1951, the payroll would have been $6,500. In addition you have also granted longer paid vacations and a more liberal insurance plan which amounts to the equivalent of two and one-half cents per hour. The number of hours covered by your base period payroll was 4,000. Consequently the increased "fringe benefits" add an extra $100 per week to your factory labor cost for the March 15 period. This makes your recomputed payroll at March 15 wage rates $6,600, or a total increase of $600.

(d) $600 divided by $6,000 is 10 percent. This is your wage increase factor.

(e) 30 percent multiplied by 10 percent is 3 percent. This is your labor cost adjustment factor.

(f) If your base period price was $100, you multiply $100 by 3 percent, giving $3, "the labor cost adjustment".

SEC. 9. *How to calculate "the labor cost adjustment" upon the basis of a unit of your business.* To calculate "the labor cost adjustment" upon the basis of a unit of your business, you do the following:

(a) Find the dollar amounts of your net sales and of your factory payroll for your last fiscal year ended not later than December 31, 1950, relating to a unit of your business for which you regularly maintain separate accounts and in which the commodity being priced is produced. You must include in net sales the value, as shown on your records, of any transfer of a commodity or material from that unit to another unit of your business. If your records do not show a value you

may not use this section. The provisions of section 8 (a) as to what may be included in factory payroll apply.

(b) Using the data found under paragraph (a) of this section you make the calculations prescribed in paragraphs (b), (c), (d), (e) and (f) of section 8, for the unit of your business to which the data relate. This will give you "the labor cost adjustment" to be added to the base period price in accordance with section 3 (a).

(c) This section may be used only for commodities produced in the particular unit of your business to which the net sales and factory payroll data relate, and must be used for all commodities produced in that unit.

HOW TO CALCULATE THE MATERIALS COST ADJUSTMENT

SEC. 10. *Manufacturing material.* You will need to become familiar with the term "manufacturing material" in the following sections. It refers to a material entering directly into the commodity being priced or used directly in the manufacturing processes from which the commodity results, together with packaging materials, containers (other than returnable containers), purchased fuel, steam or electric energy, and subcontracted industrial services which are directly related to the manufacture of the commodity. The term does not include materials or sub-contracted industrial services used in replacing, maintaining or expanding your plant and equipment, nor other materials or supplies the use of which is not directly dependent upon the rate at which you manufacture the commodity being priced.

SEC. 11. *General description of the methods available.* (a) There are four alternative methods available to you for calculating "the materials cost adjustment." You should use the one best suited to your particular situation. Only manufacturing materials may be taken into account in your calculations and you will measure their change in cost to you between prescribed dates. You are permitted, however, to omit any manufacturing material which is not significant or whose cost has not decreased between the prescribed dates. This section contains ony general descriptions, as an aid in understanding. The exact provisions which are in the following sections are controlling.

(b) (1) *Method 1.* Method 1 allows you to measure the increase in your manufacturing materials costs upon the basis of a unit of your business not larger than a plant, or, if you have only one plant, upon the basis of your entire business. Under this method, which is set forth in section 13, you calculate a percentage increase in your manufacturing materials costs upon the basis of net sales and materials put into production during a yearly accounting period. If you make the calculations upon the basis of your entire business, you apply the percentage increase uniformly to all of your commodities. If the calculations are upon the basis of separate units of your business, you apply the percentage increase for each unit uniformly to all of the commodities produced in that unit. There are specific limitations upon the use of this method where you have had significant substitution of materials.

(2) *Method 2.* Method 2 is for an individual commodity and is based upon the increase in your unit manufacturing materials cost for that commodity. Under this method "the materials cost adjustment" will ordinarily differ for each commodity. You should probably use this method, therefore, if the various commodities you produce have had substantially different material cost increases since the end of your base period, or vary widely from each other in the ratio between unit manufacturing materials cost and sales price. This method, however, is more burdensome because it requires a separate calculation for each commodity.

(3) *Method 3.* Method 3 is for a product line and is based upon the increase in your unit manufacturing materials cost for the best selling commodity in the product line. A percentage figure for this increase is derived which is applied to the base period price of each commodity in the product line. This method may be more appropriate than Method 2 if you have a number of closely related commodities whose material cost increases have been about the same.

(4) *Method 4.* Method 4 may also be used for a product line or it may be used for a category. It is based upon the increase in the cost of the bill of materials used in producing the goods sold during an accounting period of three months or less. Like Methods 1 and 3 it yields a uniform materials cost adjustment factor for all commodities in the product line or category. If your records are in a form which permits you to use this method, you may find it simpler to apply than Method 1.

(c) You may select whichever one of the four methods you consider best suited to the nature of your business and most adaptable to the records you maintain. If you select the first, third, or fourth method, you must use it for each commodity in the particular unit of business involved (or for all of your commodities if your calculations are based upon your entire business), product line or category.

SEC. 12. *Omission of certain manufacturing materials from your calculations.* Under any of the four alternative methods which you use for calculating "the materials cost adjustment" you may omit from your calculations any manufacturing material which is not significant or whose cost to you has not decreased between the prescribed dates. Consequently, a reference to "each manufacturing material" under any of the four methods means each such material you are including in your calculations.

SEC. 13. *Method 1 (Aggregate method).* To calculate "the materials cost adjustment" under this method, you do the following:

(a) Find the dollar amount of your net sales for your last fiscal year ended not later than December 31, 1950, for your entire business, or for a unit of your business for which you regularly maintain accounts and in which the commodity being priced is produced. You may not, however, use your entire business for this calculation if you operate more than one plant. Nor may you use a unit of your business which includes the output of more than one plant, although you may use a unit less inclusive than a plant. If you use a unit of your business, you must include in net sales the value of any commodity or material transferred from that unit to another unit of your business. The value shall be that shown in your records. If your records do not show a value, you may not use that unit of your business for making your calculations.

(b) Multiply the physical amount of each manufacturing material which you used during the same fiscal year either in your entire business or in a unit of your business, whichever you are calculating on, by the dollars-and-cents amount of the change in net cost per unit of the material to you between the end of your base period and December 31, 1950. The term "end of your base period" is explained in section 47 (Definitions). For any material listed in Appendix B you may figure the change to March 15, 1951, and for any material listed in Appendix C you may include the increase to any current date subject to the limitations in section 21. Before starting to figure the change in net cost per unit of the material, you should read carefully the instructions contained in sections 17 through 23.

(c) Add together the resuting figures derived under paragraph (b) of this section which represent increases in net cost. Do the same with the resulting figures which represent decreases in net cost. Subtract the total of the decreases from the total of the increases.

(d) Divide the final figure derived under paragraph (c) of this section by the amount of your net sales found under paragraph (a) of this section. The resulting percentage is referred to as your "materials cost adjustment factor".

(e) Multiply the base period price of the commodity being priced by your materials cost adjustment factor. This will give "the materials cost adjustment" to be added to the base period price in accordance with section 3 (a).

(f) If you use this section and your calculations are based upon your entire business, the materials cost adjustment factor which you derive must be used for all of your commodities. If your calculations are based upon a particular unit of your business, the materials cost adjustment factor which you derive must be used for all commodities produced in that unit and may not be used for commodities produced in any other unit of your business.

(g) You may not use this section if you have replaced, in any significant degree, the materials used by you during your base period with lower-priced substitute materials. (For example, if you are a manufacturer of rubber automobile tires, and you are now using a significantly larger percentage of synthetic rubber than you did in your base period, you may not use Method 1.)

SEC. 14. *Method 2 (Individual commodity method).* To calculate "the materials cost adjustment" under this method, you do the following:

(a) Find the physical amount of each manufacturing material which you normally used in your base period per unit of the commodity being priced.

(b) Multiply this physical amount of each of these manufacturing materials by the change in its net cost per unit to you between (1) the last day of the base period you elected for the commodity being priced and (2) December 31, 1950. For any material listed in Appendix B you may figure the change to March 15, 1951, and for any material listed in Appendix C you may figure the change to a current date subject to the limitations in section 21. Before starting to figure the change in net cost, you should read carefully the instructions contained in sections 17 through 23.

(c) Add together the resulting figures derived under paragraph (b) of this section which represent increases in net cost. Do the same with the resulting figures which represent decreases in net cost. The difference between these totals is "the materials cost adjustment" to be added to the base period price in accordance with section 3 (a).

Example: The commodity you are pricing uses three different manufacturing materials. For each unit of the commodity, you require 5 pounds of material A, 10 pounds of material B, and 1 gallon of material C. Before Korea, material A cost you $1.00 per pound, material B $2.00 per pound and material C $0.50 per gallon. Your net cost per unit of material A on your last invoice before December 31, 1950 was $1.50 and for material B it was still $2.00. Material C is listed in Appendix B; your last invoice prior to March 15, 1951 was $1.00 per gallon. Your increase for material A was, therefore, 5 multiplied by 50 cents (the difference between $1.50 and $1.00) or $2.50. Material B has not changed in price and may, therefore, be omitted. For material C, 1 gallon multiplied by 50 cents equals 50 cents. In addition, the commodity was enameled for you by an outside contractor at a cost of $1.00 per unit before Korea, and the price for the service as of March 15, 1951 was $1.25, a difference of 25 cents. Your materials cost increase for the commodity is, therefore, $2.50 for material A, 50 cents for material C, and 25 cents for the enameling service, or a total of $3.25. This is "the materials cost adjustment".

SEC. 15. *Method 3 (Product line method using best selling commodity).* This method is essentially the same as Method 2 except that the calculations are made for the best selling commodity in a product line. To calculate "the materials cost adjustment" under this method, you do the following:

(a) Select the best selling commodity in the product line of which the commodity being priced is a part.

(1) "Product line" refers to a group of closely related commodities which differ in such respects as style, model or size and which are normally classed together as a product line in your industry. Generally speaking, each commodity in the same product line must serve the same purpose and must be made by the same manufacturing process from substantially the same materials. A product line may never be broader than a category and usually will be narrower. The relationship between the commodities will normally be substantially closer in a product line than in a category. For example, stripped, standard and deluxe models of refrigerators are separate product lines, but a single category.

(2) "The best selling commodity" refers to the commodity in a product line which accounted for the greatest dollar volume of sales in the product line in your base period.

(b) Using the best selling commodity, make the calculations prescribed in section 14. This will give "the materials cost adjustment" for the best selling commodity, i. e., the amount to be added to its base period price.

(c) Divide "the materials cost adjustment" by the base period price of the best selling commodity. The resulting percentage is referred to as your "materials cost adjustment factor."

(d) Apply your materials cost adjustment factor to the base period price of each commodity in the product line. The resulting figure for each commodity is "the materials cost adjustment" to be added to the base period price of that commodity in accordance with section 3 (a).

(e) If you use this section it must be used for each commodity in the product line for which you have made your calculations.

Example: You have three commodities in a product line, whose base period prices were $8, $10 and $12, respectively. The best selling item was the $10 commodity. "The materials cost adjustment" for that commodity calculated under section 14 was $2, or 20 percent. "The materials cost adjustment" for the $8 commodity is, therefore, 20 percent of $8, or $1.60, and for the $12 commodity, 20 percent of $12, or $2.40.

SEC. 16. *Method 4 (Composite bill of materials method).* Under this method you make your calculations for the increase in your manufacturing materials cost for a product line or a category. To calculate "the materials cost adjustment" under this method, you do the following:

(a) Find the total net sales of all commodities in the product line or category for your last complete accounting period of three months or less ended not later than the last day of your base period (or if your base period is April 1 through June 24, 1950, ended not later than June 30, 1950). You must include in net sales the value, as shown in your records, of any transfer of a commodity in that product line or category to another unit of your business. If your records do not show a value, you may not use this section for that product line or category.

(b) Find the total physical amount of each manufacturing material used in producing the commodities in that product line or category sold in that accounting period. (Note that, in contrast to Method 1, you find here the physical bill of materials used in producing the goods sold in a short accounting period; while, under Method 1, you find the aggregate quantities of materials used, i. e., put into the production process, in an annual accounting period).

(c) Multiply this total physical amount by the dollars-and-cents change, between (1) the end of your base period and (2) December 31, 1950, in net cost to you per unit of the material used. For any material listed in Appendix B you may figure the change to March 15, 1951 and for any material listed in Appendix C you may figure the change to a current date subject to the limitations in section 21. Add together the resulting figures which represent increases in net cost. Do the same with the resulting figures which represent decreases in net cost. The difference between these totals is your increase in manufacturing materials cost. Before starting to figure the change in net cost you should read carefully the instructions contained in sections 17 through 23.

(d) Divide your increase in manufacturing materials cost derived under paragraph (c) of this section by the amount of your net sales found under paragraph (a) of this section. This percentage is referred to as your "materials cost adjustment factor."

(e) Apply your materials cost adjustment factor derived under paragraph (d) of this section to the base period price of the commodity being priced. The resulting figure is "the materials cost adjustment" to be added to the base period price in accordance with section 3 (a).

(f) You may use this section only if you use it for each commodity included in the product line or category.

SPECIAL INSTRUCTIONS TO BE FOLLOWED IN CALCULATING THE MATERIALS COST ADJUSTMENT

SEC. 17. *General nature of these instructions.* Section 18 will apply to your calculations irrespective of which of the four alternative methods you use. Sections 19 through 23 may be applicable to you depending upon whether you are covered by certain described situations which are briefly indicated by the section heading and opening sentence of the section.

SEC. 18. *How to compute the net cost to you of a manufacturing material as of a prescribed date.* Under any of the four alternative methods you may use for calculating "the materials cost adjustment," you must figure the change, between prescribed dates, in the net cost to you per unit of each manufacturing material included in your calculations. (The earlier "prescribed date" is June 24, 1950, or another date depending on the base period you elected. The later "prescribed date" is December 31, 1950, March 15, 1951 or a current date as permitted by section 21). To determine the net cost to you per unit of a manufacturing material as of a prescribed date, you use the *first* of the following prices available to you. In no event may the price you use be in excess of the ceiling price under a ceiling price regulation in effect on the date of issuance of this regulation. If you use paragraphs (c), (d) or (e) of this section, you must disregard any price based upon a departure from your normal buying practices. Such a departure would include quantities smaller than those you usually purchase or contract for, or use of a more distant or different class of supplier

(other than the United States), or use of subcontracted industrial services in an amount in excess of that used in your base period. For example, you must disregard any price based upon a change in your source of supply from a manufacturer to a reseller or warehouseman or from a domestic to a foreign source of supply. Likewise, you must disregard any price which is based upon a purchase of conversion steel, except as permitted in section 44.

(a) The exchange quotation for the nearest monthly contract as of the close of business on the prescribed date (or the nearest preceding date for which such a quotation is available) for any commodity traded regularly upon a commodity exchange operating under the jurisdiction of the Commodity Exchange Authority or the Sugar Exchanges and you must use the quotation for both of the prescribed dates. Also you must use the same commodity exchange for both of the prescribed dates. If the commodity is one which is not itself quoted on such an exchange, but another grade of that commodity is so quoted, you may use the exchange quotation for such other grade provided you do so for both of the prescribed dates.

(b) The selling price for rubber as of the prescribed date established by an agency of the United States Government.

(c) The net price per unit of the material shown on the invoice for the last delivery of the material to you prior to the prescribed date. If, however, the delivery was received more than 30 days prior to the prescribed date or was pursuant to a contract bearing a firm price entered into more than 60 days prior to the prescribed date, you may not use this paragraph (c). If within 30 days prior to each of the applicable prescribed dates, you received more than one delivery of the same manufacturing material, you must use an average price for each such date. You obtain this average price by dividing the net amount you paid for all deliveries of the material during each of the 30-day periods by the total number of units of the material delivered to you during each period. The average price for each period is the price you use for each of the respective prescribed dates.

(d) The net price per unit of the material stipulated in the written contract for the material which you entered into last prior to the prescribed date, provided that it was entered into not more than 60 days prior thereto.

(e) The net price per unit of the material stipulated in the written offer for sale of the material to you made last prior to the prescribed date provided that the offer was made within 60 days prior to the prescribed date and that you still have the written offer or obtain a copy of it from the offerer.

(f) If none of the foregoing is available to you for one or both of the applicable prescribed dates, you may apply to the Director of Price Stabilization, Washington 25, D. C., for an appropriate increase in the cost of the manufacturing material for use in your calculations. If you make such an application, you must refer specifically to this paragraph; you must describe the commodity being priced and the manufacturing material; you must propose the amount of increase per unit of the manufacturing material you consider appropriate based upon what you would have paid for the material if you had purchased it on each of the applicable prescribed dates; you must set forth in detail supporting reasons and why this paragraph is applicable; and you must state the base period price of the commodity and the ceiling price you propose. You must file this application before using the increase you propose. Although you need not await a reply from the Director of Price Stabilization, he may at any time disapprove the increase you propose, stipulate the amount of increase which he will approve or request additional information.

SEC. 19. *How to compute net cost as of the applicable prescribed dates where you are using a substitute material not used during the base period or used in lesser quantities.* In the case of a substitute material not used by you during the base period (or used in lesser quantities or proportions) in the manufacture of the commodity being priced, you must, if you are using Methods 2, 3, or 4 for calculating "the materials cost adjustment", compute the net cost to you as of the end of your base period of the physical amounts of the materials normally used by you in your base period and the net cost to you as of December 31, 1950, March 15, 1951, or a current date, whichever date is applicable, of the physical amounts of the materials normally used by you now. Since this calculation cannot be made accurately under Method 1 (section 13), you may not use that method for any unit of your business in which you are now using significant quantities of a substitute material whose current unit cost is lower than the current unit cost of the material used by you during the base period. However, if the current unit cost of the substitute material is the same or higher than the current unit cost of the material used by you during the base period, you may use Method 1, but without making any allowance for the higher cost of the substitute material.

SEC. 20. *Inclusion of transportation costs in the computation of net cost of a manufacturing material as of a prescribed date.* If a quotation, invoice, contract, or written offer which you use under section 18 did not include transportation costs for delivery of the material to you, you may add the actual amount of the transportation costs which you paid or would have paid for delivery of the material to you, provided that you include them in your determination of the net price of the material as of both dates.

SEC. 21. *Calculation of the increase in net cost per unit of materials covered by Appendix C*—(a) *General description of this section.* You will be concerned with this section only if a manufacturing material you propose to include in your calculations of "the materials cost adjustment" is one of the agricultural commodities listed in Appendix C or a product processed therefrom. Appendix C lists certain agricultural commodities selling below the minimum prices required to be reflected to producers by section 402 (d) (3) of the Defense Production Act of 1950. The following paragraphs of this section contain, among other things, special instructions relating to the particular dates to be used in your calculations of cost increases of these commodities.

(b) *Calculation by manufacturers of food products.* If the commodity you are pricing is a food product you may, subject to the limitations in paragraph (d) of this section, use a current date in figuring the change in net cost per unit of any of the agricultural commodities listed in Appendix C, or of any food products processed from these listed agricultural commodities.

(c) *Calculation by manufacturers of non-food products.* (1) If the commodity you are pricing is a non-food product you may, subject to the limitations in paragraph (d) of this section, use a current date in figuring the change in net cost per unit of any of the agricultural commodities listed in Appendix C, but you must use March 15, 1951, as the date for figuring the change in net cost per unit of any products processed from those listed agricultural commodities.

(2) If the commodity you are pricing is made in whole or in substantial part from a product processed from a listed agricultural commodity, and you believe that the increase in cost to you, since March 15, 1951, of that processed product is due to an increase in the price of the listed agricultural commodity, you may apply to the Director of Price Stabilization for permission to adjust your ceiling price to reflect that increase in price. Your application must describe the commodity being priced and specify its ceiling price; and must contain a statement based upon a report from your supplier as to what portion of the increase in his price to you of that processed product is directly attributable to the increase in price of the listed agricultural commodity. If the Director of Price Stabilization is satisfied that the information submitted by you shows that only the amount of the increase in price of the listed agricultural commodity is reflected in the adjustment you seek, he will approve your application. If, however, he is not satisfied that you have made such a showing, he may withhold approval of your application and require that you furnish additional information. If thirty days after mailing your application you have not received a reply from the Director of Price Stabilization, you may sell at the adjusted ceiling price you propose until such time as you are notified otherwise by the Director.

(d) *Limitations on calculations by all manufacturers*—(1) *Old inventory.* After you have made your first calculation under this section, you may become entitled to increase the ceiling price of the commodity being priced, if the cost to you of a listed agricultural commodity (or product processed therefrom) has increased. But you may not put the ceiling price increase into effect unless and until you have first sold an amount of the commodity you are pricing which

is at least equal to the quantity you owned at the close of business on the day you otherwise would have been entitled to put that ceiling-price increase into effect under this section.

(2) *Removal from listing.* You may not, in figuring the change in net cost of a listed agricultural commodity or product processed therefrom use any date subsequent to the date of deletion of the listed agricultural commodity from Appendix C by the Director of Price Stabilization or any date more than five days subsequent to the date upon which the Secretary of Agriculture announces for the agricultural commodity, by publication in "Agricultural Prices," a price which equals or exceeds both (i) the parity price as set forth in the same publication and (ii) the highest price received by producers of the agricultural commodity during the period May 24 to June 24, 1950, inclusive, both as determined and adjusted by him.

(e) *Definition of "food product".* The term "food product" refers to a commodity used for, or as an ingredient in, food, drink, confectionery, or condiment by man or other animals, whether simple, mixed, or compound; and fats and oils used for cooking purposes or in the preparation of food for immediate consumption.

SEC. 22. *How to calculate "the materials cost adjustment" for joint products or by-products.* This section will concern you only if you manufacture joint products or by-products. If two or more commodities result from the same manufacturing operation or from common materials and you are unable to compute the unit manufacturing materials costs for each under section 14, you calculate "the materials cost adjustment" for each as follows:

(a) Establish an appropriate combined unit of production in which are represented the several commodities in the proportions in which they result from the same manufacturing operation or from common materials. (For example, if a manufacturing operation yields, for each ton of commodity A produced, 3 gallons of commodity B and 520 pounds of commodity C, your combined unit of production could be: one ton of A, three gallons of B and 520 pounds of C; or one gallon of B, ⅓ ton of A and 173.3 pounds of C; or any other combination in which the proportions among the three commodities are maintained.)

(b) Find the dollar value of the combined unit of production using base period prices for each commodity, determined in accordance with section 3. (If the base period price for commodity A was $10 per ton, for commodity B was $1 per gallon and for commodity C was $0.10 per pound, the dollar value of the combined unit of production would be $65 under the first example in (a) above and $21.67 under the second example in (a) above.)

(c) Using the same calculations as in section 14 (substituting, of course, the combined unit of production for the unit referred to therein), compute the increase in manufacturing materials cost per combined unit of production.

(d) Divide the increase in manufacturing materials cost per combined unit of production by the dollar value of that unit as determined under paragraph (b) of this section.

(e) Apply this percentage to the base period price of each of the commodities being priced. The resulting figure for each commodity is "the materials cost adjustment" to be added to the base period price in accordance with section 3 (a).

Example: The total increase in manufacturing materials cost for the combined unit of production illustrated in paragraph (b) above, calculated in accordance with section 14, is $13. $13 divided by $65 is 20 percent. Consequently, "the materials cost adjustment" for commodity A is 20 percent of $10, or $2 per ton; for commodity B is 20 percent of $1, or 20 cents per gallon; and for commodity C is 20 percent of $0.10, or 2 cents per lb.

SEC. 23. *How to calculate the change in net cost of a manufacturing material which is produced in one unit of your business and transferred to another unit of your business.* (a) You will be concerned with this section if you are a multi-unit organization and in your operations you transfer products for further processing or assembly between units of your business for which you regularly maintain separate records. By way of illustration, such transfers may be between departments, plants, branches or divisions. This section deals specifically with a manufacturing material which you produce in one unit of your business and transfer to another unit of your business where it is used in producing the commodity being priced. Such a manufacturing material (which is referred to as a "transferred material") may also be sold to other persons. This section provides three methods for figuring the change in cost of a transferred material in your calculation of "the materials cost adjustment" for the commodity being priced. The method you use depends first on how you calculated "the labor cost adjustment" for the commodity being priced and second, on whether you also sell the transferred material to other persons.

(b) If you calculated "the labor cost adjustment" for the commodity being priced upon the basis of your entire business or of a unit of your business that included the unit in which the transferred material is produced, you may not in calculating the change in cost of that material include any increase in factory labor cost. Your calculation of the change in cost of the transferred material will therefore only take into account changes in the costs of the manufacturing materials directly related to the transferred material. Such change in cost of the transferred material will be included in your calculation of "the material cost adjustment" for the commodity being priced.

(c) If your calculation of "the labor cost adjustment" for the commodity being priced was not based upon your entire business or upon a unit of your business that included the unit in which the transferred material is produced and if the transferred material is one you sell to other persons, you calculate its change in cost as follows:

(1) Find its base period price (i. e., to your largest buying class of purchaser).

(2) Find its ceiling price under this regulation to your largest buying class of purchaser, or if it is listed in Appendix A, its ceiling price under the applicable ceiling price regulation.

(3) The difference between the figure found under (2) and that found under (1) is the increase or decrease in the cost of the transferred material which you use in calculating "the materials cost adjustment" for the commodity being priced.

(d) If your calculation of "the labor cost adjustment" for the commodity being priced was not based upon your entire business or upon a unit of your business that included the unit in which the transferred material is produced and if that material is not one you sell to other persons you calculate its change in cost as follows:

(1) Find the value as shown in your records at which the transferred material was transferred, last prior to the end of your base period (i. e., the base period for the commodity being priced), to the unit of your business in which the commodity being priced is produced.

(2) Using that transfer price as your base period price, determine what the ceiling price would be under this regulation, or such other regulation as would be applicable.

(3) The difference between the figure found under (2) and that found under (1) is the increase or decrease in cost of the material to be used in calculating "the materials cost adjustment" for the commodity being priced.

Example: You are pricing a camera the lens for which you produce. The following paragraphs illustrate the application of the three methods prescribed in section 23.

(a) You have treated the department in which the camera is assembled and the department in which the lens is produced as a single unit in computing "the labor cost adjustment" for the camera. You purchase on the outside the optical glass used in the lens. "The materials cost adjustment" for the camera may include, as far as the lens is concerned, only the change in cost of the purchased optical glass.

(b) In calculating "the labor cost adjustment" for the camera you used only the assembly department. You also sell the lens to others and calculated "the labor cost adjustment" for the lens upon the basis of the lens department. Therefore, in calculating "the materials cost adjustment" for the camera, the change in cost of the lens will be the difference between your ceiling price for the lens under this regulation to your largest buying class of purchaser, and your base period price for the lens to that class of purchaser.

(c) Assume the same facts as in (b) except that you produce the lens exclusively for your own use. You must compute what the ceiling price for the lens would be under this regulation, using the value at which the transfer between departments was made on your books last prior to the end of the base period. The difference between your computed ceiling price and your base period transfer value is the amount you use in calculating "the materials cost adjustment" for the camera.

SPECIAL PROVISIONS RELATING TO CEILING PRICES

SEC. 24. *General nature of these provisions.* Sections 25 through 29 relate to adjustments of your ceiling prices under certain circumstances. Section 25 relates to rounding ceiling prices. Section 26 relates to retention of ceiling prices established under the General Ceiling Price Regulation where the change in price is less than 1 percent. Section 27 requires that you reduce your ceiling prices to reflect any increase in the value of scrap or waste material generated in your manufacturing processes. Section 28 permits you to adjust your ceiling prices quoted on a delivered basis for certain increases in transportation costs. Section 29 provides an optional method for adjusting your ceiling prices for commodities manufactured in more than one of your plants.

SEC. 25. *Rounding ceiling prices.* You may round your ceiling prices determined under this regulation so that they will be expressed in the nearest cents or fraction of cent you normally employ. If you elect to do so you must similarly round the ceiling prices for all your commodities normally priced by you upon the same basis, to reflect decreases as well as increases. In no event may the increase be greater than 1 percent of your ceiling price prior to rounding. For example, if you normally quote to the nearest quarter of a cent and your ceiling price for commodity A is 21.20 cents, you may round that ceiling price to 21¼ cents. However, if your ceiling price for commodity B is 27.30 cents you must round its ceiling price to 27¼ cents.

SEC. 26. *Retention of GCPR ceiling price where the change in price is less than 1 percent.* If your ceiling price for a commodity as determined under section 3 differs by less than 1 percent from that under the General Ceiling Price Regulation, you may continue to use your GCPR ceiling price. However, you may use this section only if you apply it to all your ceiling prices determined under section 3 differing by less than 1 percent from the GCPR ceiling prices, regardless of whether decreases or increases result. For example, your GCPR ceiling price for commodity A is $10 and your ceiling price under section 3 is $9.95. Your GCPR ceiling price for commodity B is $8 and your ceiling price under section 3 is $8.05. You may continue to use $10 as your ceiling price for commodity A, but if you do so you must continue to use $8 as your ceiling price for commodity B.

SEC. 27. *Requirement for reduction of your ceiling prices as otherwise determined for any increase in value of scrap or waste material.* (a) You will be concerned with this section if in the manufacturing process relating to the commodity being priced you generate any scrap or waste material which you sell to other persons or which is transferred from one unit of your business to another, and if, between the end of your base period and March 15, 1951, there has been an increase in the value of such scrap or waste material. However, you need not make the adjustment called for in this section unless your sales of scrap or waste material are significant. They will be considered significant if, for the plant or other unit of your business in which the commodity being priced is produced, the value of your sales or transfers of scrap or waste material exceeded 3 percent of the total value of your sales or transfers of all commodities from that plant or unit during your most recent fiscal year ended not later than December 31, 1950.

(b) In the circumstances described in paragraph (a) of this section where your sales of scrap or waste material are significant you must make an appropriate reduction in the ceiling prices for each of the commodities resulting from your manufacturing process to reflect the dollars-and-cents amount by which the value of the scrap or waste material generated in the manufacturing process has increased between the end of your base period and March 15, 1951. In calculating this increase in value you should use a method comparable to the one you employed for your calculation of "the materials cost adjustment" for the commodity being priced. For instance, if you used Method 2 (section 14) you should calculate the increase in value of your scrap or waste material per unit of the commodity being priced; if you used Method 1 (section 13) you should calculate the increase in value of your scrap or waste material by an aggregate method. The resulting dollars-and-cents amount reflecting the increase in value of your scrap or waste material per unit must be subtracted from your ceiling price as otherwise determined under this regulation.

SEC. 28. *Adjustment of ceiling prices quoted on a delivered basis for increases in transportation costs.* If your base period price was, and therefore your ceiling price is, a delivered price, you may adjust your ceiling price to reflect any increase, between the end of your base period and March 15, 1951, in transportation costs incurred by you (not including warehousing charges). You may include in this adjustment only increases resulting from transportation charges paid by you to other persons (excluding any person who is an employee, subsidiary or affiliate of yours or of whom you are a subsidiary or affiliate). This adjustment is made in the following manner:

(a) Where your base period price for the commodity being priced included full transportation costs from point of shipment to point of delivery, you may adjust your ceiling price by the exact amount of the increase in transportation rates to you between such points, charged by the same carrier or class of carrier for the same class of transportation. You may not include any increase due to changing the class of carrier (e. g., from water or highway to rail) or to changing your customary method or quantity of shipment.

(b) Where your base period price was uniform within defined geographical zones but you maintained an established differential between each zone, you may calculate a transportation cost increase adjustment to be applied to the ceiling price for sales to each zone. This calculation is made in the following manner:

(1) Find the average transportation charge paid by you for deliveries of the commodity being priced to each zone during your last accounting period of not less than three months, ended not later than the end of your base period. If your base period is April 1 through June 24, 1950, you should use your last accounting period of not less than three months, ended not later than June 30, 1950.

(2) Find what the average transportation charge paid by you for deliveries of that commodity to each zone would be, using the transportation rates actually in effect on March 15, 1951.

(3) The dollars-and-cents amount of the difference between the average transportation charge found under (2) and that found under (1) for each zone may be added to your ceiling price for sales to that zone.

(c) Where your base period price was uniform for all sales of the commodity being priced to any destination within the United States, you may calculate a single transportation cost increase adjustment to be applied to the ceiling price for all sales within the United States in the same manner as under paragraph (b) of this section, treating the United States as a single zone.

SEC. 29. *Optional method for determining a uniform ceiling price for a commodity manufactured in more than one plant.* If the commodity being priced is manufactured in more than one of your plants and is customarily sold by you at a uniform price, but in adjusting the base period price for each plant different ceiling prices result, you may compute a uniform ceiling price. To do this, you first determine the ceiling price for each plant and multiply it by the number of units of the commodity sold from that plant during the last quarter of 1950. You then divide the total dollar amount of such sales from all plants by the total number of units sold from all plants. The resulting figure is your uniform ceiling price for the commodity. If sales from any of your plants in the last quarter of 1950 were not substantial, you may use the last three consecutive months of substantial sales in 1950, provided that you use the same period for all your plants.

Example: You are producing the same commodity in two plants, and customarily charge the same price from each. However, due to a difference in your wage rate changes, your ceiling price for plant A is $2.00, and for plant B is $2.10. Sales during the last quarter of 1950 were 1500 units from plant A, and 1000 units from plant B. 1500 multiplied by $2.00 is $3,000; 1000 multiplied by $2.10 is $2,100; 1500 plus 1000 is 2500; $3,000 plus $2,100 is $5,100; $5,100 divided by 2500 is $2.04. You may therefore use the uniform ceiling price of $2.04 for sales from both plants.

CEILING PRICES FOR NEW COMMODITIES, NEW SELLERS AND SALES TO NEW CLASSES OF PURCHASERS

SEC. 30. *Ceiling prices for new commodities differing only by reason of minor changes from commodities whose ceiling prices are established under this regula-*

tion—(a) *Ceiling price for a commodity first offered for sale between June 25, 1950, and May 27, 1951.* The ceiling price for a commodity first offered for sale by you between June 25, 1950 and May 27, 1951, differing from a commodity you dealt in during the period July 1, 1949 to June 24, 1950, only by reason of a minor change in design or construction which does not reduce unit manufacturing materials cost or prevent its offering fairly equivalent service, shall be the ceiling price for the previous commodity established under this regulation. If you are no longer manufacturing the previous commodity, you must establish a ceiling price for it in accordance with this regulation and use that ceiling price as the ceiling price for the commodity being priced. If the new commodity differs from the previous commodity only by reason of the use of a substitute material the new commodity must be priced under section 3.

(b) *Ceiling price for a commodity first offered for sale subsequent to May 27, 1951.* The ceiling price for a commodity first offered for sale by you subsequent to May 27, 1951, differing from a commodity for which your ceiling price is established under this regulation only by reason of minor changes in material, design or construction which do not reduce unit manufacturing materials cost or prevent its offering fairly equivalent service, shall be the ceiling price for the previous commodity as established under this regulation. If you are no longer manufacturing the previous commodity, you must establish a ceiling price for it in accordance with this regulation and use that ceiling price as the ceiling price for the commodity being priced.

SEC. 31. *Optional method for determining ceiling prices for packaged commodities to reflect cost increases since your base period by changing size or quantity.* This pricing method may be used in place of section 32 under the circumstances indicated herein. If you wish to use your base period price for a packaged commodity as your ceiling price and to reduce the size or quantity of that commodity to reflect any permissible cost increases since the end of your base period, you may do so in the following manner:

(a) Determine your ceiling price for the commodity in its base period size or quantity.

(b) Calculate the ratio between your base period price for the commodity and your ceiling price.

(c) Apply this ratio to the base period size or quantity of the commodity. The resulting size or quantity is the minimum for which you may use your base period price as your ceiling price.

Example: Your base period price for a 10-ounce package of commodity A was 25 cents and you wish to retain that price as your ceiling price. Your ceiling price for a 10-ounce package of commodity A as determined under this regulation is 30 cents. 25 cents divided by 30 cents is 83.3 percent. 10 ounces multiplied by 83.3 percent is 8 and one-third ounces. Your ceiling price for a package of commodity A containing not less than 8 and one-third ounces is therefore 25 cents.

SEC. 32. *Ceiling prices for new commodities falling within categories dealt in during your base period*—(a) *Description of the pricing method.* This section deals with a commodity which cannot be priced under sections 3 or 30, but which falls within a "category" in which you dealt during your base period. You determine your ceiling price by applying to the current unit direct cost of that commodity the percentage markup over the current unit direct cost of a "comparison commodity" (using your ceiling price for the comparison commodity under this regulation), in accordance with the following instructions.

(b) *Current unit direct cost.* "Current unit direct cost" as used in this section means the sum of the amounts (not higher than permitted by law) which it costs you, or if you are not currently producing it, would cost you for direct labor and materials to produce the commodity at the time you use the pricing method provided by this section. Current unit direct materials cost shall be computed upon the basis of current replacement prices for materials and current unit direct labor cost shall be computed upon the basis of current wage rates for direct labor. The method used in computing current unit direct materials cost and current unit direct labor cost for the new commodity and for the comparison commodity shall be the same in every respect.

(c) *Selection of a comparison commodity.* The comparison commodity to be used must be in the same category as the commodity being priced and shall be the first of the following which is available to you:

(1) A commodity dealt in during your base period differing from the commodity being priced only by reason of a minor change in size or quantity or of packaging.

(2) A commodity dealt in during your base period that you are now manufacturing which is most nearly like the commodity being priced and which has current unit direct cost the same or lower than that of the commodity being priced.

(3) A commodity dealt in during your base period that you are no longer manufacturing which is most nearly like the commodity being priced and whose current unit direct cost would be the same or lower than that of the commodity being priced.

(4) A commodity dealt in during your base period that you are now manufacturing which is most nearly like the commodity being priced and whose current unit direct cost is next higher to that of the commodity being priced.

(5) A commodity dealt in during your base period that you are no longer manufacturing which is most nearly like the commodity being priced and whose current unit direct cost would be next higher to that of the commodity being priced.

(d) *Calculations to determine your ceiling price.* Having selected the appropriate comparison commodity, you determine your ceiling price as follows:

(1) Determine your ceiling price for sale of the comparison commodity to your largest buying class of purchaser if you are now manufacturing it, or what it would be if you are no longer manufacturing it, using either sections 3 or 30 of this regulation, whichever is applicable.

(2) Determine the current unit direct cost of the comparison commodity, if you are now manufacturing it, or what it would be, if you are no longer manufacturing it.

(3) Subtract the current unit direct cost derived under (2) from the ceiling price derived under (1). This will give the gross dollar margin over current unit direct cost for the comparison commodity.

(4) Divide this gross dollar margin over current unit direct cost by the current unit direct cost of the comparison commodity. This will give the percentage markup over current unit direct cost for the comparison commodity.

(5) Apply this percentage markup to the current unit direct cost of the commodity being priced. This is your ceiling price for sale of that commodity to your largest buying class of purchaser. It must be consistent in every respect with the ceiling price for the comparison commodity, i. e., it must carry your customary delivery terms, cash, trade and volume discounts, allowances, premiums and extras, deductions, guarantees, servicing terms and other terms and conditions of sale. Your ceiling price for sale of the commodity to each of your other classes of purchasers shall be determined in the same manner as under section 3 (c).

Example: (i) Your comparison commodity is one you are no longer manufacturing. You find that its ceiling price under this regulation would be $10. (ii) The current unit direct cost of the comparison commodity would be $6. (iii) $6 subtracted from $10 is $4. This is the current gross dollar margin over direct cost for the comparison commodity. (iv) $4 divided by $6 is 66.7%. This is the percentage margin over direct costs for the comparison commodity. (v) The current unit direct cost for the commodity being priced is $7.50. 66.7% of $7.50 is $5.00. $7.50 plus $5.00 is $12.50. This is your ceiling price for the commodity being priced.

(e) *Category.* Category means a group of commodities which are normally classed together in your industry for purposes of production, accounting or sales. Section 46 of this regulation continues in effect certain provisions of section 16 of the General Ceiling Price Regulation which among other things prescribes that you must prepare and preserve a list of your categories. If the list you have prepared is not representative of your categories during your base period for this regulation, you should prepare such a list by May 28, 1951 and thereafter preserve it. In applying the pricing provisions of this section, you should refer to it. You might, for example, have a category such as one of the following: desks, office, steel; desks, office, wood; dishwashers, domestic; ranges, domestic, electric; ranges, domestic, gas; refrigerators, household; room air conditioner to 1 h/p; vacuum cleaners, domestic; washing machines, domestic.

(f) *Required report.* Before selling any commodity for which you have de-

termined a ceiling price under this section, you must file the report required by paragraph (g) of this section with the Director of Price Stabilization, Washington 25, D. C., and in addition you may not sell the commodity until 15 days after mailing your report; thereafter you may sell the commodity at your proposed ceiling price unless and until notified by the Director of Price Stabilization that your proposed ceiling price has been disapproved or that more information is required. In the event that more information is required you may not sell until 15 days after mailing the additional information.

In case, however, the commodity is one required to be priced under this section, and which, prior to the effective date of this regulation, you sold or offered for sale upon the basis of a ceiling price determined under the General Ceiling Price Regulation, you may continue to use your GCPR ceiling price until June 12, 1951.

(g) *Information required in report.* Your report should state the name and address of your company; a description of the commodity being priced; the comparison commodity and an explanation why you have selected the comparison commodity as such; a description of the category in which the commodity being priced and the comparison commodity fall; your ceiling price to the largest buying class of purchaser of your comparison commodity, or if you are not now manufacturing it what this ceiling price would be; a detailed breakdown of the current unit direct cost of the comparison commodity, or what it would be; the gross margin, and the percentage markup over current unit direct cost for the comparison commodity; a detailed breakdown of the current unit direct cost of the commodity being priced; the ceiling price of the commodity being priced; delivery, discount, guaranty and servicing terms and conditions and differentials in effect for sales to purchasers of various classes with respect to the comparison commodity.

SEC. 33. *Ceiling prices for commodities in new categories, for new sellers and for sales to an entirely new class of purchaser.* (a) (1) If you are pricing a commodity which is in a different category from any dealt in by you between July 1, 1949 and June 24, 1950, or which you are selling to an entirely new class of purchaser as referred to in section 3 (c), your ceiling price is the same as the ceiling price of your most closely competitive seller of the same class selling the same commodity to the same class of purchaser. A ceiling price so determined must be in line with the level of ceiling prices otherwise established by this regulation.

(2) Before selling any commodity for which you have determined a ceiling price under this section, you must file the report required by paragraph (b) of this section with the Director of Price Stabilization, Washington 25, D. C., and in addition, you may not sell the commodity until 15 days after mailing your report; thereafter, you may sell the commodity at your proposed ceiling price unless and until notified by the Director of Price Stabilization that your proposed ceiling price has been disapproved or that more information is required. In the event that more information is required you may not sell until 15 days after mailing the additional information.

(3) In case, however, the commodity is one required to be priced under this section, and which, prior to the effective date of this regulation, you sold or offered for sale upon the basis of a ceiling price determined under the General Ceiling Price Regulation, you may continue to use your GCPR ceiling price until June 12, 1951.

(b) *Required report.* Your report should state the name and address of your company; the new categories in which the commodities fall and the most comparable categories dealt in by you during the base period; the name, address and type of business of your most closely competitive seller of the same class; a statement of his ceiling price and his differentials to each of his classes of purchasers; your reasons for selecting him as your most closely competitive seller; a statement of your customary price differentials; and, if you are selling to an entirely new class of purchaser, a description of such class of purchaser. If you are starting a new business, you should include a statement whether you or the principal owner of your business are now or during the past 12 months have been engaged in any capacity in the same or a similar business at any other establishment, and, if so, the trade name and address of each such establishment. Your report should include the following: Your proposed ceiling price and the specifications of the commodity you are pricing; the manufacturing process involved; a detailed breakdown of your unit direct costs; the reason you believe the proposed ceiling price is in line with the level of ceiling prices otherwise established by this regulation; and the types of customers to whom you will be selling.

MISCELLANEOUS PROVISIONS

SEC. 34. *Sellers who cannot price under other sections.* If you claim that you are unable to determine your ceiling price for a commodity under any of the foregoing provisions of this regulation, you may apply in writing to the Director of Price Stabilization, Washington 25, D. C., for the establishment of a ceiling price. This application shall contain an explanation of why you are unable to determine your ceiling price under any other provision of this regulation; all of the information called for under section 33 to the extent you are able to furnish it; and the method used by you to determine your proposed ceiling price. You may not sell the commodity until the Director of Price Stabilization notifies you, in writing, of your ceiling price.

SEC. 35. *Export sales.* Your sales for export are subject to the provisions of this regulation.

SEC. 36. *Excise, sales, and other similar taxes—(a) Where the tax is included in your base period price.* If your base period price for a commodity you are using to determine your ceiling price either for that commodity or another commodity includes any excise, sales or other similar tax which is not separately stated, you must first ascertain the amount of any such tax and exclude it from your base period price. Your base period price, with any such tax so excluded, may then be used in making any appropriate computations for determining your ceiling price. After completing the computations, you may then add on the appropriate amount of any such tax for inclusion as part of your ceiling price. In the case of any increase in such a tax subsequent to the end of your base period, you may include the appropriate amount of any such increase as part of your ceiling price. Likewise, in the case of any similar tax first imposed subsequent to the end of your base period and included in your selling price thereafter, you may include the appropriate amount of such tax as part of your ceiling price.

(b) *Where the tax is separately stated and collected.* In addition to your ceiling price determined under this regulation, you may collect the amount of any excise, sales or other similar tax paid by you as such only if it has been your practice to state and collect such taxes separately from your selling price for the same or similar commodities. In the case of such a tax imposed by law which is not effective until after the effective date of this regulation, or of any increase in such a tax subsequent to the effective date of this regulation, you may collect the amount of the tax actually paid as such by you, if not prohibited by the tax law. You must in all such cases state separately the amount of the tax.

SEC. 37. *Prohibition against redetermination of ceiling prices.* Once you have reported your ceiling price or a proposed ceiling price for a commodity as required by this regulation, you may not thereafter redetermine it except for redeterminations due to the increase in cost of agricultural commodities or products processed therefrom in accordance with section 21. A purely arithmetical error may, however, be corrected, but the correction must be reported to the Director of Price Stabilization.

SEC. 38. *Modification of ceiling prices by the Director of Price Stabilization.* The Director of Price Stabilization may at any time disapprove or revise downward ceiling prices proposed to be used or being used under this regulation so as to bring them into line with the level of ceiling prices otherwise established by this regulation.

SEC. 39. *Recalculation of ceiling prices and announcement of "materials cost increase factors".* The Director of Price Stabilization expects in due course to issue an amendment to this regulation providing for a recalculation of your ceiling prices hereunder. The primary purpose of this recalculation would be to reflect more accurately the materials prices established by this and other ceiling price regulations. The Director of Price Stabilization may also from time to time announce "materials cost increase factors" for certain materials in order to provide greater uniformity in the calculation of their change in price

since the end of your base period. These factors will be percentage figures based on studies of some categories of important basic materials and parts. If such a factor is announced, it must be used in place of any change you have had in the price of the material covered by the factor, regardless of whether the factor is higher or lower. These "materials cost increase factors" may be announced by amendments or by supplementary regulations to this regulation.

SEC. 40. *Adjustable pricing.* Nothing in this regulation shall be construed to prohibit your making a contract or offer to sell a commodity at (a) the ceiling price in effect at the time of delivery or (b) the lower of a fixed price or the ceiling price in effect at the time of delivery. You may not, however, deliver or agree to deliver a commodity at a price to be adjusted upward in accordance with any increase in a ceiling price after delivery.

SEC. 41. *Petitions for amendment.* If you wish to have this regulation amended, you may file a petition for amendment in accordance with the provisions of Price Procedural Regulation 1 (15 F. R. 9055).

SEC. 42. *Supplementary regulations.* The Director of Price Stabilization may issue supplementary regulations modifying or implementing this regulation as he deems appropriate.

SEC. 43. *Adjustment of ceiling prices where over-all loss in operations results.* (a) This section permits you to apply for an upward adjustment of your ceiling prices established by this regulation, if as a result of these ceiling prices, you would operate at a loss.

(b) You may apply under this section if:

(1) Your total manufacturing operations have been conducted at a net loss for a period of operation under this regulation of at least one month, or would have been conducted at a loss if you had manufactured the commodities covered by this regulation in your customary quantities and proportions;

(2) The loss was attributable to the level of prices established by this regulation, and not to any of the following:

(i) Seasonal, non-recurring or temporary factors affecting your operations; or

(ii) A reduction in volume of production below the normal economical capacity of your plant; or

(iii) The payment of unlawful wages or excessive salaries or of unlawful or excessive prices for materials; or

(iv) The incurring of factory overhead costs or of selling, administrative and general costs which are abnormally high relative to sales or other costs unless such excess is demonstrated by clear and convincing evidence to have been unavoidable in the exercise of sound business judgment and management; or

(v) Any transactions with affiliated corporations or businesses which either are of a kind which would not result from arm's-length bargaining or differ from the transactions which you have customarily had with such affiliated corporations or businesses; or

(vi) Reserves for contingencies.

(3) The adjusted prices for which you apply will not be substantially out-of-line with the ceiling prices for similar commodities established for other sellers under this regulation.

(c) If you make application under this section, you must supply:

(1) Your name, address, a description of your manufacturing facilities and of the commodities you manufacture, a statement of the principal types of customers to whom you sell;

(2) A detailed annual profit and loss statement for your firm for the years 1946 through 1949, and both an annual profit and loss statement, and if you regularly prepare them, quarterly profit and loss statements covering the year 1950 and each quarter since then;

(3) A detailed profit and loss statement covering a period of operations of one month or more under this regulation, together with a careful explanation of how it was prepared, including particularly a justification of any estimating procedures used in its preparation;

(4) For commodities covered by this regulation, either (i) a statement of your base period and ceiling prices to your largest buying class of purchaser (including delivery terms, cash, trade and volume discounts, allowances, premiums and extras, deductions, guarantees, servicing terms and other terms and conditions of sale) and a schedule of your price differentials to your other classes of purchasers; or (ii) a copy of the report required and submitted to the Office of Price Stabilization; together with (iii) a statement of the section or sections under which you established your ceiling prices.

(5) A showing that the loss in your current operations was not due to any of the six factors in paragraph (b) (2) of this section.

(6) A list of your principal competitors, and a statement of their ceiling prices under this regulation for commodities similar to yours, together with data showing the past relationship of your prices to those they have charged for the same or similar commodities;

(7) A proposed schedule of adjusted ceiling prices for commodities covered by this regulation, and a demonstration that, if these prices were charged, your operations would be at a break-even position.

(8) The application must refer specifically to this section of the regulation, must be signed by a responsible officer of your company, and should be sent to the Office of Price Stabilization, Washington 25, D. C.

(d) Within thirty days of the receipt of your application, the Director will grant or deny your application in full or in part, or request further information. The Director may, as a condition of granting your application in full or in part, require you to submit reports of subsequent operations and may revoke or modify the adjustment at any time. If, thirty days after the acknowledgment of receipt of your application, none of the actions listed above has been taken, you may sell at your proposed ceiling prices until such time as the Director shall notify you that these prices have been disapproved.

SEC. 44. *Use of "conversion steel" in calculating "the materials cost adjustment"*—(a) *Purpose of this section.* In calculating "the materials cost adjustment" for a commodity under this regulation, you are not permitted to reflect in your calculations any increase in materials cost occasioned by use of so-called "conversion steel". However, if you believe that this requirement imposes upon you a serious inequity because you are required by NPA Order M-47 (16 F. R. 3130) of the National Production Authority to use more conversion steel than you used in your base period, you may apply for permission to reflect such increase in your calculation of "the materials cost adjustment".

(b) *How to apply.* Under the circumstances described in paragraph (a) of this section, you may make application, signed by a responsible officer of your company, and sent by registered mail, to the Office of Price Stabilization, Washington 25, D. C., referring specifically to this section and supplying the following information:

(1) A statement describing the nature of your manufacturing operations, and, particularly, the commodities in which conversion steel is used.

(2) A detailed statement showing all of your purchases of steel (whether conversion steel or not) in your base period, and in the three months ended March 31, 1951, listing, for each such purchase, the date, the name and address of the supplier, the exact specifications of the steel purchased, the price paid (including all discounts, extras, terms, delivery charges, etc.), and the amount purchased. If you sold any steel in either of these periods, you must give full details as to such sales.

(3) A detailed statement establishing the amount of "conversion steel" you are required to use under NPA Order M-47 of the National Production Authority.

(4) A detailed statement showing how you propose to reflect in your calculation of "the materials cost adjustment" the increase, since the end of your base period, in the cost of steel (including conversion steel), in the amount and to the extent that you are required to use such steel under NPA Order M-47 of the National Production Authority.

(c) *Action on your application.* Within thirty days after the receipt of the application described above, the Director will grant or deny, in whole or in part, your application, or notify you that further information is required. If, at the end of thirty days, the Director has done none of the above, you may begin to sell at ceiling prices calculated in accordance with "the materials cost adjustment" you propose. (In the meantime you may, after the effective date of this regulation, sell at a ceiling price calculated without reference to your use of conversion steel.) At any time thereafter, the Director may notify you that further information is required or may deny your application, in whole or in part, but such denial shall not be retroactive as to deliveries previously made.

SEC. 45. *Temporary adjustments to carry out existing contracts*—(a) *Who may apply for adjustment.* If at any time prior to the issuance date of this regulation, you entered into a bona fide contract for delivery of a commodity at a firm price subsequent to the effective date of this regulation, and if your ceiling price as determined under this regulation is lower than the contract price, you may apply to the Director of Price Stabilization for an adjustment of your ceiling price, *Provided:*

(1) The contract for future delivery was required by seasonal demands or normal business practices.

(2) The contract, if entered into subsequent to January 26, 1951, called for deliveries at a price which was lawful under ceiling price regulations in effect at that time.

(3) You acquired needed raw materials or component parts after the date of the contract at lawful prices in reliance upon and in order to fulfill the terms of the contract.

(b) *Calculation of the amount of the adjustment.* The adjusted ceiling price will be fixed in the following way:

(1) Take the total price of the quantity of raw materials or component parts acquired in reliance upon, and necessary in order to fulfill, the contract.

(2) Compute what the total price of the same quantity of raw materials or component parts would be as of the later of the two applicable prescribed dates used for your calculation of "the materials cost adjustment". In computing what that total price would be, you will, of course, apply the provisions of section 18.

(3) Subtract the figure arrived at in subparagraph (2) from the figure in subparagraph (1). The result is the total amount of the adjustment. If the figure arrived at in subparagraph (1) is no higher than that arrived at in subparagraph (2), you cannot apply for adjustment under this section.

(4) Divide the total amount of the adjustment by the number of units of the commodity called for by the contract. This gives you the adjustment per unit of the commodity. If the contract calls for the delivery of more than one commodity, the total amount of the adjustment may be distributed in any appropriate way among the several commodities.

(5) Add the adjustment per unit of the commodity under (4) to your ceiling price for that commodity. The result is your adjusted ceiling price. In no event, however, may you obtain an adjusted ceiling price higher than the contract price.

Example: You contracted in January 1951 to supply a mail order house 1,000 units of a commodity at $10.00 per unit, delivery to be made during the months of June, July, and August of 1951. Your ceiling price under this regulation is $9.00. In order to comply with the terms of your contract, you purchased raw material sufficient to produce 600 units at a total cost of $4,200. The cost of acquiring the same raw material as of December 31, 1950 (the later of the two applicable dates used in your calculation of "the materials cost adjustment") would be $3,500. The total adjustment is $700 ($4,200 minus $3,500 equals $700). The total number of units called for in the contract was 1,000. Divide $700 by 1,000. This gives you 70¢. The adjustment per commodity becomes 70¢ and your adjusted ceiling price for the contract $9.70. Subsequent sales to the contract purchaser and all sales to other purchasers must be at the regular ceiling price of $9.00.

(c) *What your application must contain.* Applications for adjustment under this section must be filed on or before August 1, 1951, with the Director of Price Stabilization, Washington 25, D. C. Attached to the application should be the following:

1. A copy of the contract;

2. Copies of invoices covering the raw materials or component parts acquired in reliance upon and in order to fulfill the contract;

3. Copies of invoices or other supporting data which indicate your net cost as of the later of the two applicable dates you used in computing "the materials cost adjustment".

4. A copy of the worksheets used in the calculation of your ceiling price.

5. A report of your adjusted ceiling price and a detailed calculation showing how this price was arrived at.

(d) *Action on your application.* You may not receive payment of any amount in excess of your ceiling price until 30 days after receipt by the Director of Price Stabilization of any application filed under this section. If the Director of Price Stabilization does not revise or modify the adjusted ceiling price reported by you or notify you that further information is required, you may after these 30 days have elapsed receive payment at the adjusted ceiling price for all deliveries made since the date of filing. The Director may, however, at any time revise or modify the adjusted ceiling price, but such revision or modification will not apply to deliveries already made.

SEC. 46. *Records and reports*—(a) *Record-keeping requirements.* (1) With respect to any commodity covered by this regulation the provisions of section 16 of the General Ceiling Price Regulation are hereby continued in effect insofar as they apply to the preparation and preservation of "base period records" and such "current records" as have been made as a result of sales between January 26, 1951, and the effective date of this regulation.[1]

(2) (i) You shall prepare and preserve for the life of the Defense Production Act of 1950 and for two years thereafter all records necessary to determine whether you have computed your ceiling prices correctly, including (but not limited to) records showing base period prices and material and labor costs, and records showing costs, prices, and sales for the other applicable periods and dates referred to in the regulation.

(ii) The records to be preserved under this paragraph must include appropriate work sheets. Appendix E contains suggested work sheets for the more important calculations required under this regulation. The work sheets to be preserved may be in the form shown in the appendix; they may be in any other convenient form so long as they include all data and calculations required to determine your ceiling prices.

(3) You shall preserve for a period of two years all records showing the prices at which sales of commodities subject to the regulation have been made.

(b) *Reports.* (1) You must file with the Office of Price Stabilization, Washington 25, D. C., on or before the effective date of this regulation one or more reports on Public Form No. 8 in accordance with the instructions which are a part of that form. Copies of the form may be obtained from any Regional or District Office of the Office of Price Stabilization. This Public Form No. 8 is shown in Appendix D. If you report a ceiling price for any commodity higher than your ceiling price under the General Ceiling Price Regulation, you must file your report by registered mail, and you must wait 15 days before selling as provided in section 48.

(2) The Director of Price Stabilization may from time to time require additional information or reports subject to the approval of the Bureau of the Budget under the Federal Reports Act of 1942.

SEC. 47. *Definitions and explanations. Category.* This term is defined in section 5.

Class of purchaser or purchaser of the same class. Class of purchaser is determined in the first instance by ref-

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[1] The portions of the General Ceiling Price Regulation here referred to applicable to manufacturers, are as follows:

SEC. 16. (a) *Base period records.* You must preserve and keep available for examination by the Director of Price Stabilization those records in your possession showing the prices charged by you for the commodities or services which you delivered or offered to deliver during the base period. * * *

(2) In addition, on or before March 22, 1951, you must prepare and preserve a statement showing the categories of commodities in which you made deliveries and offers for delivery during the base period. * * *

(3) On or before March 22, 1951, you must also prepare and preserve a ceiling price list, showing the commodities in each category (listing each model, type, style, and kind), or the services, delivered or offered for delivery by you during the base period together with a description or identification of each such commodity or service and a statement of the ceiling price. Your ceiling price list may refer to an attached price list or catalog. * * *

(4) You must also prepare and preserve a statement of your customary price differentials for terms and conditions of sale and classes of purchasers, which you had in effect during the base period.

* * * * *

(b) *Current records.* If you sell commodities or services covered by this regulation you must prepare and keep available for examination by the Director of Price Stabilization for a period of two years, records of the kind which you customarily keep showing the prices which you charge for the commodities or services. In addition, you must prepare and preserve records indicating clearly the basis upon which you have determined the ceiling price for any commodities or services not delivered by you or offered for delivery during the base period. * * *

"Base period" as used in section 16 of the General Ceiling Price Regulation means December 19, 1950 to January 25, 1951.

erence to your own practice of setting different prices for sales to different purchasers or groups of purchasers. The practice may (but need not) be based on the characteristics or distributive level of the buyer (for instance, manufacturer, wholesaler, individual retail store, retail chain, mail order house, government agency, public institution). It may (but need not) be based on the location of the purchaser or the quantity purchased by him. If you have followed the practice of giving an individual customer a price differing from that charged others, that customer is a separate class of purchaser.

If in your industry a practice prevails of charging different prices for sales to groups of buyers based on their characteristics or distributive level, any such group to whom you did not make sales during your base period *and* for whom you did not have a customary differential in effect during or before your base period, is a separate class of purchaser as to you.

Commodity. This term includes any item, object, material, article, product or supply.

Delivered. A commodity shall be deemed to have been delivered if it was received by the purchaser or by any carrier, including a carrier owned or controlled by the seller, for shipment to the purchaser.

Director of Price Stabilization. This term also applies to any official (including officials of Regional or District offices) to whom the Director of Price Stabilization by order delegates a function, power or authority referred to in this regulation.

End of your base period. This term means June 24, 1950, if your base period is April 1 through June 24, 1950, or if you elected a previous calendar quarter as your base period in accordance with section 4, it means the last day of that quarter. If, however, you have elected different base periods for different commodities or categories in accordance with sections 4 or 5, the date you will use as the end of your base period is determined as follows:

(a) If you are calculating "the labor cost adjustment" or "the materials cost adjustment" upon the basis of a unit of your business, and your base period is the same for all commodities produced in that unit, the last day of that base period is the end of your base period.

(b) If you are calculating "the labor cost adjustment" upon the basis of your entire business or of a unit of your business and your base period for all of the commodities being priced is not the same, the last day of the particular base period you have elected which covers the group of commodities having the largest aggregate dollar volume of sales in calendar or fiscal year 1950 is the end of your base period for your calculation of "the labor cost adjustment."

(c) If you are calculating the "materials cost adjustment" upon the basis of your entire business or a unit of your business and your base period for all of the commodities being priced is not the same, the last day of the particular base period you have elected for the group of commodities having the largest aggregate dollar volume of sales in calendar or fiscal year 1950 is the end of your base period for your calculation of "the materials cost adjustment."

(d) If you are calculating "the materials cost adjustment" for a commodity under method 2 (section 14) or method 3 (section 15) the end of your base period is the last day of the particular base period you are using.

Largest buying class of purchaser. This term refers to the "class of purchaser" of a commodity which bought from you the largest dollar amount of that commodity during your base period. It does not, however, include the United States or any agency thereof, any foreign purchaser, or any person to whom the only sales made during your base period were made under a written contract of at least 6 months' duration entered into prior to the base period, unless the United States or any agency thereof, any foreign purchaser or such contract purchaser was your only class of purchaser.

Manufacturer. This term includes a producer, processor, assembler, finisher, printer or fabricator. You are not a manufacturer unless you substantially change the form of some commodity or commodities, combine two or more commodities into a different one, or create a new commodity from existing ones. If you merely package, label, market, promote, or sell a commodity or combine commodities without substantially changing their form, you are not a manufacturer. If you merely perform an industrial service for the account of others on a commodity you are not a manufacturer with respect to such a commodity.

Manufacturing material. This term is explained in section 10.

Most closely competitive seller of the same class. Your most closely competitive seller of the same class is the seller with whom you are in most direct competition. You are in direct competition with another seller who sells the same type of commodity to the same classes of purchaser in similar quantities on similar terms and with approximately the same amount of service.

Net cost or net price. Each of these terms refers to the cost or price to you of a manufacturing material less any discount (other than a customary cash discount) or allowance you took or could have taken. It does not include separately stated charges such as freight, taxes, etc.

Net sales. This term refers to gross sales after trade discounts, less returns and allowances. In the case of sales where the selling price is a delivered price, transportation charges should not be deducted.

Person. This term includes any individual, corporation, partnership, association or any other organized group of persons, or legal successors or representatives of the foregoing, and the United States or any other Government or their political subdivisions or agencies.

Plant. This term refers to a single physical location where business is conducted or industrial operations are performed, for example, a factory or a mill. If such a single physical location comprises two or more units, with separate payroll and inventory records, engaged in distinct industrial activities, each unit shall be treated as a plant.

This definition of "plant" is based on the definition of "a manufacturing establishment" in the Standard Industrial Classification which is consistent with that used by the Bureau of Census in the 1947 Census of Manufactures and subsequent surveys.

Product line. This term is explained in section 15.

Records. This term means books or accounts, sales lists, sales slips, orders, vouchers, contracts, receipts, invoices, bills of lading, and other papers and documents.

Sale at retail. Sale at retail means any sale to an ultimate consumer other than a commercial, industrial, governmental or institutional user.

Sell. This term includes sell, supply (with respect to either commodities or services), dispose, barter, exchange, transfer and deliver, and contracts and offers to do any of the foregoing. The terms "buy" and "purchase" shall be construed accordingly.

Service. This term includes any service rendered or supplied, otherwise than by an employee.

Written offer or written offer for sale. Each of these terms refers to an offer for sale made by means of the seller's price list or, if he had no price list, a written offer otherwise made in the seller's customary manner. The term does not include an offer at a price intended to withhold a commodity from the market or used as a bargaining price by a seller who usually sells at a price lower than his asking price.

You. "You" means the person subject to this regulation. "Your" and "yours" are construed accordingly.

SEC. 48. *Prohibitions.* (a) On and after the effective date of this regulation, regardless of any contract or other obligation, (1) you shall not sell any commodity subject to this regulation at a price exceeding your ceiling price as determined under this regulation, and (2) no person shall buy from you in the regular course of business or trade any commodity subject to this regulation at a price exceeding your ceiling price as determined under this regulation.

(b) On and after the effective date of this regulation you shall not sell any commodity subject to this regulation unless you have complied with the report requirements of sections 32, 33, or 46, whichever is applicable.

(c) In the event your ceiling price for a commodity under this regulation is higher than your ceiling price under the General Ceiling Price Regulation you shall not sell that commodity at a price exceeding your ceiling price under the General Ceiling Price Regulation, except under the following conditions:

(1) You must send by registered mail a report, relating to that commodity, on Public Form No. 8 (shown in Appendix D) to the Director of Price Stabilization, Washington 25, D. C. Copies of this form can be obtained from any Regional or District office of the Office of Price Stabilization.

(2) You must wait 15 days after the date of receipt by the Director of Price Stabilization of the report, as shown on your return receipt.

(3) At the end of that 15-day period, or on or after the effective date of this regulation, whichever is later, you may deliver that commodity at your ceiling price as determined under this regulation, unless and until notified by the Director of Price Stabilization to continue using your GCPR ceiling price, or such higher ceiling price as he may permit, either because your ceiling price proposed under this regulation has been disapproved in whole or in part, or because more information is required.

SEC. 49. *Charges lower than ceiling prices.* Lower prices than those established under this regulation may be charged, demanded, paid or offered.

SEC. 50. *Evasion.* Any practice which results in obtaining indirectly a higher price than is permitted by this regulation is a violation of this regulation. Such practices include, but are not limited to, devices making use of commissions, services, cross sales, transportation arrangements, premiums, discounts, special privileges, tie in agreements and trade understandings.

SEC. 51. *Penalties.* Persons violating any provision of this regulation are subject to the criminal penalties, civil enforcement actions, and suits for treble damages provided for by the Defense Production Act of 1950.

Effective date. The effective date of this regulation is May 28, 1951.

NOTE.—The record-keeping and reporting requirements of this regulation have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

MICHAEL V. DISALLE,
Director of Price Stabilization.

APRIL 25, 1951.

APPENDIX A

This regulation does not apply to the commodities and transactions listed below. Most of such commodities and transactions are covered by some other price regulation.

(a) General exemptions: (1) Sales of commodities, the ceiling prices of which are now or are subsequently established by any numbered regulations of the Office of Price Stabilization.

(2) Sales of commodities exempt from the ceiling price provisions of the General Ceiling Price Regulation under sections 5, 6, 7, 8, and 9 of Supplementary Regulation 1 to the General Ceiling Price Regulation (Defense Agency Pricing).

(3) Sales of commodities, the ceiling prices of which are now or may subsequently be exempted from price control by any General Over-Riding Regulation.

(b) General commodity categories:

1. All raw agricultural products.
2. Stumpage, logs, pulpwood, and other raw forest products.
3. Gas, electricity, and steam.
4. All scrap and waste materials.
5. All repair or replacement parts when sold by the manufacturer of the assembled article in the repair of which such parts are designed to be used.

(c) The following food and kindred products:

(1) Fresh meats and semi-sterile canned meats.
(2) Sausage, except dry.
(3) Lard.
(4) Dressed and ready-to-cook poultry, including turkeys.
(5) Dairy products—for the purpose of this regulation, dairy products shall include milk and butterfat and products manufactured or processed in a dairy plant from either milk or butterfat when the milk solids content of the product is greater than the solids content of any other ingredient except sugar.
(6) All canned, frozen, and dried seasonal (meaning products packed at time of harvest from agricultural commodities having a stable seasonal pattern) fruits, berries, and vegetables, and their juices.
(7) Canned soups and baby foods.
(8) Flour, semolina, malt, mill feeds, meal and other animal feed ingredients processed from wheat, grain sorghum, corn, flaxseed, oats, rye and barley, except when sold in cartons of five pounds or less. The word "flour" as used here does not include prepared flour mixes.
(9) Mixed feeds as defined in General Ceiling Price Regulation, Supplementary Regulation 7.
(10) Soybean oil meal, as defined in General Ceiling Price Regulation, Supplementary Regulation 3.
(11) Cottonseed cake and meal.
(12) Fish scrap, fish meal, fish solubles, and specialty fish feed products.
(13) Dog and cat food with fifteen percent or less moisture.
(14) Rice as defined in Ceiling Price Regulation 12.
(15) Bakery products—bread, cakes, handmade cookies, donuts, pies, pastries, and similar "perishable bakery products" but not including semi-perishable dry bakery products, such as crackers, packaged cookies, pretzels, etc.
(16) Refined sugar—beet and cane.
(17) Chewing gum.
(18) Soft drinks.
(19) Malt beverages.
(20) Wines.
(21) Distilled spirits.
(22) Frozen and dried eggs.
(23) Blackstrap molasses.
(d) All tobacco products.
(e) The following textile mill products:
(1) All wool fibers which have been processed beyond the scouring stage.
(2) Wool yarn and fabrics as defined in Ceiling Price Regulation 18, together with all other yarns and fabrics containing 25% or more wool by weight, however manufactured.
(3) Wool and synthetic yarn floor coverings as defined in Supplementary Regulation 11 to the General Ceiling Price Regulation.
(f) Apparel, including men's, boys', women's, misses', children's, toddlers', and infants' clothing, furnishings and accessories made of woven, knitted, plastic, or felt materials or leather or other materials (excluding protective garments made of rubber, plastics or coated materials); and semi-fabricated parts which will be fabricated into apparel.
(g) Lumber, plywood, veneers, shooks, millwork, wood containers, ties, posts, poles, piling, and other allied products, such as but not limited to, handles, wooden heels and lasts, shuttle points, and picker sticks.
(h) Books, magazines, motion pictures, periodicals, newspapers, maps, charts, and globes.
(i) The following chemicals and allied products:
(1) Crude and synthetic rubber.
(2) Synthetic textile fibers and yarns.
(3) Fermentation ethyl alcohol, acetone, and butyl alcohol.
(4) Synthetic butyl alcohol made from fermentation ethyl alcohol.
(5) Ethical and proprietary drugs and cosmetics.
(6) Household soaps and cleansers as defined in Ceiling Price Regulation 10.
(7) Natural and synthetic glycerin.
(8) Soap stock, raw and acidulated.
(9) Fatty acids.
(10) Paints, varnishes, and lacquers.
(11) Naval stores.
(12) All natural gums and resins.
(13) All vegetable waxes.
(14) All natural dyeing materials.
(15) All essential or distilled oil.
(16) Fats and oils for which ceiling prices are provided in Ceiling Price Regulation 6.
(17) The following oilseeds or nuts, their oils and fatty acids or combinations of these oils so long as in normal trade practice they retain their identity:

Babassu kernels.	Olive oil, edible, sulphur and other inedible.
Babassu oil.	Ouricury kernels.
Cacao butter.	Ouricury oil.
Cashew nut shell liquid.	Palm kernel oil.
Castor beans.	Palm kernels.
Castor oil.	Palm oil.
Cocoanut oil.	Perilla seeds.
Cohune kernels.	Perilla seed oil.
Cohune oil.	Poppyseed.
Copra.	Poppyseed oil.
Coquito kernels.	Rapeseed.
Coquito oil.	Rapeseed oil.
Corozo kernels.	Rubberseed.
Corozo oil.	Rubberseed oil.
Hempseed.	Sesame oil.
Hempseed oil.	Sesame seed.
Kapok seed.	Sunflower seed.
Kapok seed oil.	Sunflower seed oil.
Muru-muru kernels.	Tucum kernels.
Muru-muru oil.	Tucum oil.
Oiticica oil.	Tung oil.

(18) Whale oil.
(19) Sperm oil.
(20) Fish oils, including cod oil and shark oil.
(21) Peanut oil.
(22) Rice bran oil.
(23) Oleo stock, oil and stearine.
(24) Inedible tallows, greases, and fat-bearing and oil-bearing animal waste materials as defined in Ceiling Price Regulation 6, Amendment 2.
(25) Wool grease.
(26) Glue stock.
(27) Casein.
(28) Cotton linters.
(j) Crude petroleum and petroleum fuels and lubricants, including petroleum coke when used as fuel, and natural gas.
(k) Coke, coal chemicals, coke oven gas, as defined in General Ceiling Price Regulation, Supplement 13.
(l) Bituminous coal, anthracite coal, coal briquettes, charcoal, and fuel processed from anthracite or bituminous coal.
(m) Cattle hide, kips, and calfskins, as defined in Ceiling Price Regulation 2.
(n) Hogskins, woolskins, sheep and lamb shearlings, pickled lambskins, pickled sheepskins, horsehides, deerskins, alligator skins, and snakeskins.
(o) Leather, tanned and finished.
(p) Footwear, except rubber footwear.
(q) The following stone, clay, and glass products:
(1) Glass containers and glass closures.
(2) Portland cement.
(3) Ready-mixed concrete.
(4) Calcined gypsum plasters.
(5) Lime (construction, metallurgical, chemical, agricultural, plastic).
(6) Sand, gravel, and crushed stone, both aggregates and industrial.
(7) Light weight aggregates.
(8) Merchant clays.
(r) Primary metals and metallic alloys.
(s) All secondary metals and scrap.
(t) All metal powders.
(u) All metallic ores.
(v) All non-metallic minerals.
(w) All cast, rolled, drawn, or extruded metals and alloys which have not been further fabricated.
(x) Fabricated structural steel and steel plate and fabricated reinforcing bars.

(y) Passenger automobiles, as defined in Ceiling Price Regulation 1.

(z) Wood-cased and paper-wrapped lead pencils.

(aa) Precious jewelry, including any natural pearl, diamond, ruby, sapphire, emerald, or other genuine stone; any semi-precious or synthetic stone, cultured pearl, or group of cultured pearls if the base period price would have been $25 or more; or any mounting or other object of which one or more precious or semi-precious stones or pearls are a part when the value of the stones exceeds the value of the other parts.

(bb) Paintings, sculptures, and other works of art.

APPENDIX B

With respect to the following manufacturing materials, the change in net cost may be calculated up to March 15, 1951.

1. All commodities listed in Appendix A.
2. Wood pulp, paper, paperboard, and converted paper and paperboard products.
3. All imported materials, when purchased from a foreign supplier, or from a seller in the United States in substantially the same form as that in which imported (except for services normally performed by importers such as sorting or packaging), or after simple processing operations only, such as wool scouring.
4. All jute products containing more than 50 per cent by weight of jute.
5. All industrial services.

APPENDIX C

With respect to the following agricultural commodities and products processed therefrom, a current date may be used in calculating the change in net cost to you, subject to the limitations imposed in Section 21:

Fruits:
- Apples
  - For canning
  - For drying
- Apricots
  - For canning
  - Dried
- Avocados
- Blackberries
- Boysenberries
- Cherries
  - Sweet
  - Sour
- Cranberries
- Dates
- Figs for canning
- Grapes, excluding raisins dried
- Grapefruit
- Lemons
- Limes
- Loganberries
- Olives
  - For canning
  - Crushed for oil
- Oranges and tangerines
- Peaches
  - For canning
    - Clingstone
    - Freestone
  - Dried
- Pears
  - For canning
  - Dried
- Pineapples, Florida
- Plums
  - For fresh consumption
  - For canning
- Raspberries, black
- Raspberries, red
- Youngberries

Tree-nuts:
- Almonds
- Filberts
- Pecans
- Walnuts

Livestock and Livestock Products:
- Butterfat
- Chickens
- Eggs
- Milk, wholesale
- Turkeys
- Beeswax

Field Crops:
- Barley
- Beans, dry edible
- Buckwheat
- Corn
- Flaxseed
- Hay
- Oats
- Peanuts
- Peas, dry field
- Rye
- Sorghums for grain
- Wheat

Sugar crops:
- Maple sirup
- Maple sugar
- Sorghum sirup
- Sugar beets

Vegetables:
- Artichokes
- Beans, Lima
- Beans, snap
- Beets
- Cabbage
- Cantaloupe
- Carrots
- Cauliflower
- Celery
- Corn, sweet
- Eggplant
- Garlic
- Kale
- Lettuce
- Onions
- Peas, green
- Peppers, green
- Pimientos
- Shallots
- Spinach
- Tomatoes
- Watermelon
- Potatoes
- Sweet Potatoes

Tobacco:
- Flue-cured; types 11, 14
- Burley-type 31
- Cigar filler and binder types 42–44, 46, 51–55
- Cigar wrapper, type 61
- Cigar wrapper, type 62
- Dark air-cured, types 35–36
- Fire cured, types 21–24
- Maryland types, 32
- Pennsylvania seedleaf type 41
- Sun cured, type 37

Miscellaneous:
- Popcorn
- Honey
- Hops
- Peppermint Oil
- Spearmint Oil
- Tung nuts

APPENDIX D

This appendix contains a facsimile of OPS Public Form 8, "Manufacturer's Price Adjustment Report," required to be filed under sections 46 and 48 of this regulation. Printed copies of this form are available at OPS District and Regional Offices.

INSTRUCTIONS FOR COMPLETING OPS PUBLIC FORM NO. 8

Who Must File

Every manufacturer subject to CPR 22 must file this report by May 28, 1951, as required by Sections 46 and 48 of the regulation.

Where Shall the Report Be Filed

Mail to Office of Price Stabilization, Washington 25, D. C. Use registered mail if Item 8 is completed.

Why Must the Report Be Filed

This report is designed to inform OPS of adjustments of pre-Korean prices and of proposed ceiling price increases.

How Many Copies Shall Be Filed

A single copy of this report is to be filed for each category or product line, even though the actual price computations have been arrived at by a method applying to a larger unit of your business. Reporting by categories or product lines is needed to facilitate classification and analysis. Many companies will report only one product line.

(See instruction for Item 1 below.)

How To Complete the Form

(Make sure to read the regulation and refer to Appendix E for worksheets.)

ITEM 1. DESCRIBE THE CATEGORY OR PRODUCT LINE COVERED BY THIS REPORT. A "category" is defined in the regulation (Section 5) as "a group of commodities which are normally classed together in your industry for purposes of production accounting or sales." Examples of categories would be: wood office desks; domestic vacuum cleaners; domestic washing machines.

A "product line" is defined in the regulation (Section 15 (a) (1)) as "a group of closely related commodities which differ in such respects as style, model, or size and which are normally classed together as a product line in your industry. Generally speaking, each commodity in the same product line must serve the same purpose and must be made by the same manufacturing process from substantially the same materials." Examples of product lines would be: wringer type washing machines; felt mattresses; ball-point pens.

If the same product line or category was produced by more than one plant and sold at different base period prices, a separate report must be made for each plant and the plant indicated in completing this item.

ITEM 2. GIVE THE DATES OF THE BASE PERIOD USED. "Base period" refers to the period April 1 through June 24, 1950 or any previous calendar quarter ended not earlier than September 30, 1949 which you may elect to use. (See Section 4.)

ITEM 3. ESTIMATED 1950 DOLLAR SALES. Enter in this item the estimated 1950 dollar sales for *all* the commodities which are included in the category or product line for which the report form is being prepared.

ITEM 4. LABOR COST ADJUSTMENT FACTOR. Enter here the labor cost adjustment factor used pursuant to section 8 (e) or 9 (b) of the regulation. Note that it is the *adjustment factor* rather than the *adjustment* which is desired here. The adjustment factor is always a percentage which is applied to the sales or price figure to yield the dollars and cents labor cost adjustment. If you calculated a separate "labor cost adjustment" for each unit of your business enter the labor cost adjustment factor for the unit which produces the category or product line covered by the report.

ITEM 5. MATERIALS COST ADJUSTMENT FACTOR. If either of methods 1, 3, or 4 has been used for the commodities in this category or product line, you will have arrived at a materials cost adjustment factor under section 13 (d), 15 (c), or 16 (d). This adjustment factor is a percentage to be applied to the sales figure to arrive at the materials cost adjustment.

If you have used method 2, which provides for a separate analysis of material cost for each individual commodity, you will have no "materials cost adjustment factor" but only a dollars and cents "materials cost adjustment" (Section 14 (c)) to be added to the base period price. Give the adjustment figure for a selected commodity, which should be the best selling commodity of the category or product line. Show the actual base period price and identify the commodity.

ITEM 6. PRICE ADJUSTMENT RATIO. You may choose to preserve the price relationships established by the General Ceiling Price Regulation. In this case, you will have arrived at a "price adjustment ratio" under Supplementary Regulation 2 to this regulation. Enter here the ratio which will be applied uniformly to GCPR prices.

ITEM 7. CERTIFICATION REGARDING PROPOSED CEILING PRICE INCREASES OVER GENERAL CEILING PRICE REGULATION. All manufacturers filing this report must complete items 1–6 of the report and sign the certification even though they are not reporting any proposed ceiling price increases in item 8.

ITEM 8. PROPOSED CEILING PRICE INCREASES. (a) Identify the commodity in sufficient detail comparable to that which a fully completed invoice would show. Identify also the physical unit to which the proposed ceiling price refers (for example, pound, dozen, piece).

(b) Give here sufficient information to show the nature of the price computed: largest buying class of customer, delivery terms, cash and other discounts and other important terms and conditions of sale.

(c) Estimated sales in 1950 should be only for the specific commodity for which there is a proposed ceiling price increase, but should include sales to all customers.

(d) Insert the base period price to the largest buying class of purchaser which you determined for the commodity in accordance with Section 6 of the regulation.

(e) Indicate your GCPR price for the commodity.

(f) Indicate the proposed ceiling price as calculated under the provisions of this regulation.

(g) Divide the proposed ceiling price (column (f)) by the GCPR price (column (e)). This will indicate the percentage price increase over the GCPR price which is being proposed.

(h) If you used method 2 for calculating the materials cost adjustment separately for each commodity included in the category or product line covered by this report, then you must show here the materials cost adjustment obtained for the commodity for which a proposed ceiling price increase is shown. If you used method 1, 3 or 4 no entry is required in this column since the adjustment factor shown in Item 5 of the report will apply.

OPS Public Form No. 8

UNITED STATES GOVERNMENT
OFFICE OF PRICE STABILIZATION
WASHINGTON 25, D. C.

Form approved
Budget Bureau No. 94-5119

MANUFACTURER'S PRICE ADJUSTMENT REPORT
Pursuant to Ceiling Price Regulation 22

See the reverse side of this form for instructions.

The individual company information reported on this form is for use in connection with the defense mobilization program. Persons who have access to individual company information are subject to penalties for unauthorized disclosure.

Name of Firm	Address (Street and No.)	(City, Zone)	(State)	(Code for item 1)

1. Describe the Category or Product Line Covered by This Report	2. Give the Dates of the Base Period Used	3. Estimated 1950 Dollar Sales	4. Labor Cost Adjustment Factor
	From ____ To ____	$____	

5. Materials Cost Adjustment Factor

(Complete this part if method 1, 3, or 4 is used)

Method 1 ☐ Method 3 ☐ Method 4 ☐ Adjustment Factor ____

(Complete this part if method 2 is used)

Adjustment Computed for Selected Commodity	Base Period Selling Price for This Commodity	Name of Commodity
$____	$____	

6. Price Adjustment Ratio ____ (for use only under Supplementary Regulation 2 to CPR 22)

7. Certification Regarding Proposed Ceiling Price Increases Over General Ceiling Price Regulation

I certify that no ceiling price calculated under the regulation for commodities covered by 1 above exceeds the GCPR ceiling price, except as listed in 8 below and I understand that an increase proposed below shall be effective 15 days after OPS receives this report, but not prior to May 28, 1951, unless I am notified by OPS that the price has been disapproved or that more information is required.

Notice: A willful false return is a criminal offense.

Signature of officer or authorized agent of firm	Title	Date

8. Proposed ceiling price increases

Name and specification of item (include physical unit priced) (a)	Class of customer and terms of sale (b)	Estimated 1950 dollar sales (c)	Base period price (d)	GCPR price (e)	Proposed price (f)	Proposed price as a percentage of GCPR price Col. (f) ÷ (e) (g)	Materials cost adjustment (method 2 only) (h)	(For OPS use only)

This form may be reproduced without change. (Attach continuation sheets as necessary. Identify columns with same letters used above.)

APPENDIX E

This appendix contains three "worksheets" for certain of the calculations required in determining ceiling prices under this regulation. No actual copies of such worksheets will be printed for distribution by OPS. They are shown only to indicate the content and arrangement of data appropriate for certain important calculations, for a record of these calculations for your own use, for examination by OPS representatives, and for submittal on request to OPS. Any other arrangement which presents the same data and calculations is acceptable.

The worksheets comprise: Worksheet 1, "Labor Cost Adjustment Worksheet," for use in connection with Sections 8 and 9; Worksheet 2, "Materials Cost Adjustment Worksheet for Methods 1 and 4," for use in connection with Sections 13 and 16; and Worksheet 3, "Materials Cost Adjustment Worksheet for Methods 2 and 3," for use in connection with Sections 14 and 15.

Note that the worksheets do not cover all necessary calculations under the regulation for which systematic working papers are necessary. For example, the final determination of a ceiling price will require also computation of actual adjustments (based on the adjustment factors), the addition of these to base period prices, and the application of customary differentials to determine prices to different classes of customers. Moreover, the worksheets are designed for the more usual situation and will not necessarily fit all special computations provided for by the regulations.

Worksheet 1

CPR 22

LABOR COST ADJUSTMENT WORKSHEET

Name of Firm ____
Street Address ____
City, postal zone, State ____

Instruction: One calculation, as shown below, may be made for the entire company or a separate calculation for each unit of the business, as provided in section 7 of the regulation.

1. Method used (check one)
   ☐ Entire company ☐ Unit located at ____ and identified as ____
2. Net sales for year ending ____ $____
3. Factory payroll for year covered in (2) ____
4. Labor cost ratio (line 3 divided by line 2) ____
5. Wage increase factor (from Supplement: Line G) ____
6. Labor-cost adjustment factor (line 4 multiplied by line 5) ____

SUPPLEMENT: COMPUTATION OF WAGE INCREASE FACTOR

(The method indicated below need not be followed precisely. Some other method more suitable to your records and accounts may be used as provided in Section 8 of the regulation.)

A Base period payroll (See section 8 (c)) $_____, (covering period from _____ to _____).
B Recomputation of payroll:

(a) Type of labor	(b) Hours included in base period payroll	(c) Hourly rate of pay as of 3/15, 1951	(d) Recomputed payroll (c) times (b)

C Total recomputed payroll without fringe benefits (total of column (d) in B) _____ $_____
D Value of increase in fringe benefits since base period payroll _____
E Recomputed payroll including increase in fringe benefits (line C plus line D) _____
F Excess of recomputed payroll over base payroll (line E minus line A) _____
G Wage increase factor (line F divided by line A) _____
Enter this amount in line 5 above.

Worksheet 2
CPR 22

MATERIALS COST ADJUSTMENT WORKSHEET
FOR METHODS 1 AND 4

Name of Firm _____
Street Address _____
City, Postal Zone, State _____

Instruction: If you use Method 1 and your business has more than one plant you must make a separate calculation for each plant (or smaller unit if you prefer.) If you use Method 4, you must make a separate calculation for each product line or category.

COMPUTATIONS BELOW ARE UNDER: _____

1. (a) Method 1 (check and complete (1) or (2)):
(1) ☐ for entire business consisting of one unit
(2) ☐ for unit located at _____ and identified as _____ (Name of unit)
(b) Method 4 (check and complete (1) or (2)):
(1) ☐ for product line identified as _____
(2) ☐ for category identified as _____
2. Identify the Accounting Period used for this computation and corresponding sales data:
(a) (1) For Method 1: Year ending _____ Month, day, year
(2) For Method 4: Period beginning on _____ Month, day, year and ending on _____ Month, day, year
(b) Net Sales for above period for category, product line, or other unit indicated in (1) $_____
3. Indicate the base period used for determining material costs (section 4): From _____ to _____
4. Changes in Materials Costs

(a) Material used during accounting period	(b) Physical amount of material used during accounting period	(c) Cost per unit at end of base period	(d) Cut-off date used (Dec. 31, 1950 etc.—specify)	(e) Cost per unit at cut-off date	(f) Change in net cost per unit (e)−(c)	(g) Dollar cost increase (f)×(b)	(h) Subsection(s) of sec. 18 used for determining costs per unit for end of base period and cut-off date

5. Aggregate dollar cost increase (total of increases minus total of decrease in col. g of 4) _____
6. Materials cost adjustment factor (divide figure derived in 5 above by Net Sales shown in 2 (b) above) _____

Worksheet 3
CPR 22

MATERIALS COST ADJUSTMENT WORKSHEET
FOR METHODS 2 AND 3

Name of Firm _____
Street Address _____
City, Postal Zone, State _____

Instruction: If you use Method 2 you must make a separate calculation for each commodity. If you use Method 3, then the calculation must be for the best selling commodity in the product line which is to be priced.

1. (a) Method used:
(1) ☐ Method 2 (complete b).
(2) ☐ Method 3 (complete b and c).
(b) If Method 2 is used insert name of commodity. If Method 3 is used insert name of best selling commodity. Commodity _____
(c) If Method 3 is used describe the product line _____
2. Indicate the base period used for determining material costs (see section 4): From _____ to _____
3. Changes in materials cost

(a) Material used	(b) Physical amount of material used in one unit of the commodity	(c) Cost per unit at end of base period	(d) Cut-off date used (Dec. 31, 1950, etc.—specify)	(e) Cost per unit at cut-off date	(f) Change in net cost per unit (e)−(c)	(g) Dollar cost increase (f)×(b)	(h) Subsection(s) of sec. 18 used for determining costs per unit for end of base period and out-off date

4. Materials cost adjustment (total of increases minus total of decreases in column (g) of 3) (this is the final result under Method 2) _____ $_____
5. Materials cost adjustment factor (For Method 3 only):
(a) Base period price per unit for commodity named in 1 (b) _____ $_____
(b) Divide result obtained in 4 by entry for 5a (this is the final result under Method 3) _____

[F. R. Doc. 51-4880; Filed, Apr. 25, 1951; 9:22 a. m.]

Chapter VI—National Production Authority, Department of Commerce

[NPA Order M–25, as Amended April 24, 1951]

M–25—Cans

This amendment of April 24, 1951, to NPA Order M–25 is found necessary and appropriate to promote the national defense and is issued pursuant to the authority granted by section 101 of the Defense Production Act of 1950. In the formulation of this amendment consultation with industry representatives has been rendered impracticable due to the necessity for immediate action.

This amendment affects NPA Order M–25, as amended April 6, 1951, as follows:

It amends item 125 of schedule I of NPA Order M–25 by establishing preference A for can sizes smaller than 5-gallon containers for packing milk, dry, whole or skimmed, and lists can material specifications for these containers.

Item 125 in schedule I is hereby amended to read as follows:

Product	Preference	Quota	Can materials	
			Soldered or welded parts	Nonsoldered parts
(1)	(2)	(3)	(4)	(5)
125. Milk, dry, whole or skimmed	A	Unlimited		
5-gallon and 50-pound cans			0.50	0.50
Sizes smaller than 5-gallon			CMQ	[1] 1.25

[1] One end only.

(Sec. 704, Pub. Law 774, 81st Cong.)

NOTE: No combined order is being issued at this time because this amendment will be included in a forthcoming revision of M–25.

This amendment shall take effect on April 24, 1951.

NATIONAL PRODUCTION AUTHORITY,
MANLY FLEISCHMANN,
Administrator.

[F. R. Doc. 51–4865; Filed, Apr. 24, 1951; 3:32 p. m.]

[NPA Order M–47 as Amended Apr. 24, 1951]

M–47—Use of Iron and Steel

This order, as amended, is found necessary and appropriate to promote the national defense and is issued pursuant to the Defense Production Act of 1950. In the formulation of this order, there has been consultation with industry representatives, including trade association representatives, and consideration has been given to their recommendations. However, in the formulation of this amendment, consultation with representatives of all trades and industries affected has been rendered impracticable due to the necessity for immediate action and because the order affects a large number of different trades and industries.

This amendment affects Groups II, III, and VIII of List A, NPA Order M–47.

As amended, NPA Order M–47 now reads as follows:

Sec.

AUTHORITY: Sections 1 to 10 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret or apply sec. 101, Pub. Law 774, 81st Cong.; sec. 101, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105, 3 CFR, 1950 Supp.; sec. 2, E. O. 10200, Jan. 3, 1951, 16 F. R. 61.

SECTION 1. *What this order does.* The purpose of this order is to limit the use of iron and steel in the manufacture and assembly of certain products.

SEC. 2. *Definitions.* As used in this order:

(a) "Person" means any individual, corporation, partnership, association, or any other organized group of persons and includes any agency of the United States or any other government.

(b) "Base period" means the 6-month period ending June 30, 1950.

(c) "Manufacture" means to put into process, machine, fabricate, or otherwise alter materials by physical or chemical means.

(d) "Conversion steel" means steel mill products which have been obtained by the consumer in consequence of the consumer or some other person having furnished, directly or indirectly, to one or more steel producers or converters, steel mill products in a less finished form such as, but not limited to, ingots, blooms, billets, slabs, rods, skelp, and hot rolled sheets in coils, for the express purpose of procuring such steel mill products.

SEC. 3. *Iron and steel products to which this order applies.* This order applies to the iron and steel products listed in Table I of NPA Order M–1, as amended.

SEC. 4. *Application of order.* This order applies to persons who use iron and steel products or parts or components made wholly or partly therefrom, for purposes of manufacture or assembly, and limits the use of such materials and parts in the manufacture or assembly of certain items. This order does not apply to the production of iron and steel.

SEC. 5. *Use of iron and steel products in consumer durable goods.* (a) Subject to the exemptions stated in section 6 of this order, and unless specifically authorized in writing by the National Production Authority, no person shall use during the calendar quarter commencing on April 1, 1951, in the manufacture of any item included in List A at the end of this order, a total quantity by weight of iron and steel products in excess of 80 percent of his average quarterly use of such materials in the manufactured item during the base period: *Provided, however,* That such use in any one month shall not exceed 40 percent of the permitted quarterly use. However, if such person manufactured one or more units of a part made wholly or partly from iron or steel products during the base period, and uses one or more purchased units of that part during said calendar quarter in any item in List A, he shall include the weight of the iron and steel products used in the manufacture of each such part, whether by himself or another, in computing his use of iron and steel products during the base period and during said calendar quarter. During the calendar quarter commencing on April 1, 1951, any person who does not use any iron and steel product in the manufacture of an item in List A, but who assembles parts made wholly or partly from such material into such item, shall not assemble a total number of units of such item in excess of 40 percent of the number of such units which he assembled during the base period.

(b) Any person who during the 6-month period ending December 31, 1950, used conversion steel in the manufacture of any items included in List A at the end of this order shall, during the calendar quarter commencing on April 1, 1951, use conversion steel in the manufacture of such items to the extent stated in this paragraph. The ratio between nonconversion steel used and the total permitted use of steel shall not exceed the ratio between nonconversion steel and total steel received by him during the 6-month period ending December 31, 1950: *Provided, however,* That in the alternative and in the event it is not practicable to determine the quantity of conversion steel used in the manufacture of items in List A, the ratio between nonconversion steel and total steel used in his total production, including all items in List A, shall not exceed the ratio between nonconversion steel and total steel received by him during said period. Any person who selects and applies either of the alternatives above stated may not subsequently apply the other alternative without the written approval of the National Production Authority.

SEC. 6. *Exemptions.* (a) The manufacture or assembly of any item in List A to fill rated orders, or to meet any mandatory order of the National Production Authority, is permitted in addition to the manufacture or assembly permitted by section 5 of this order.

(b) Section 5 shall not apply to any person whose total output of manufactured and assembled items included in List A during the calendar quarter commencing April 1, 1951, has an iron and steel content (including the estimated iron and steel content of parts and semi-

fabricated materials purchased from others) of less than 100 short tons: *Provided, however,* (1) That no such person shall during said quarter use iron and steel products (not including the estimated iron and steel content of parts and semifabricated materials purchased from others) in the manufacture of items in List A a total quantity by weight of such material in excess of his average quarterly use thereof for such purposes during the base period; and (2) That any such person who does not use any iron and steel product in the manufacture of an item in List A, but who assembles parts made wholly or partly from such material into such item, shall not assemble a total number of units of such item in excess of 50 percent of the number of such units which he assembled during the base period.

SEC. 7. *Application for adjustment.* Any person affected by any provision of this order may file a request for adjustment or exception upon the ground that his business operation was commenced during or after the base period, or because any provision otherwise works an undue and exceptional hardship upon him not suffered generally by others in the same trade or industry, or that its enforcement against him would not be in the interest of the national defense or in the public interest. Each request shall be in writing and shall set forth all pertinent facts and the nature of the relief sought, and shall state the justification therefor.

SEC. 8. *Records and reports.* (a) Each person participating in any transaction covered by this order shall retain in his possession for at least 2 years records of receipts, deliveries, inventories, and use, in sufficient detail to permit an audit that determines for each transaction that the provisions of this order have been met. This does not specify any particular accounting method and does not require alteration of the system of records customarily maintained, provided such records supply an adequate basis for audit. Records may be retained in the form of microfilm or other photographic copies instead of the originals.

(b) All records required by this order shall be made available at the usual place of business where maintained for inspection and audit by duly authorized representatives of the National Production Authority.

(c) Persons subject to this order shall make such records and submit such reports to the National Production Authority as it shall require, subject to the terms of the Federal Reports Act (Pub. Law 831, 77th Cong., 5 U. S. C. 139–139F).

SEC. 9. *Communications.* All communications concerning this order shall be addressed to the National Production Authority, Washington 25, D. C., Ref: M–47.

SEC. 10. *Violations.* Any person who wilfully violates any provision of this order or any other order or regulation of the National Production Authority or who wilfully conceals a material fact or furnishes false information in the course of operation under this order is guilty of a crime and upon conviction may be punished by fine or imprisonment or both. In addition, administrative action may be taken against any such person to suspend his privilege of making or receiving further deliveries of materials or using facilities under priority or allocation control and to deprive him of further priorities assistance.

NOTE: All reporting and record-keeping requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act.

This order as amended shall take effect, except as otherwise specifically stated, on April 24, 1951.

NATIONAL PRODUCTION AUTHORITY,
MANLY FLEISCHMANN,
Administrator.

LIST A

The items on this List A, made in whole or in part from iron and steel products or containing parts made wholly or partly from iron and steel products, are subject to the provisions of this order. (Joining hardware is not considered "parts" within the meaning of List A.) The listing following each Arabic numeral shall be considered a separate item hereunder.

I. HOUSEHOLD FURNITURE

1. Household furniture: livingroom, dining room, kitchen, breakfast room, and bedroom furniture (excluding bed springs, mattresses, and dual purpose sleeping equipment).
2. Other household furniture, including but not limited to beach, sunroom, garden, porch, lawn furniture, and steamer chairs.
3. Household cabinets such as kitchen, wardrobe, broom, and medicine cabinets.

II. OFFICE, PUBLIC BUILDING, PROFESSIONAL, BUSINESS, AND STORE FURNITURE AND FIXTURES (EXCLUDING MEDICAL, DENTAL, AND HOSPITAL SPECIALTIES)

1. Furniture and fixtures such as desks, bookcases, shelving, tables stands, booths, filing cabinets, and transfer cases, including card and document cases.
2. Furniture and fixtures such as chairs, stools, benches, sofas, couches, settees, clothing racks, and costumers.
3. Restaurant furniture and fixtures, including tray stands and serving tables.
4. Theater, auditorium, stadium, and grandstand chairs and seats, ganged and single, indoor or outdoor types.
5. Barber shop and beauty shop furniture especially designed for such use, including but not limited to manicure tables, dresserettes, hydraulic and reclining chairs, and couch units.
6. Soda fountain creamers.
7. Beer dispensing equipment and fixtures.

III. OFFICE, PUBLIC BUILDING, PROFESSIONAL, BUSINESS, AND STORE PARTITIONS, SHELVING, LOCKERS, AND FIXTURES (EXCLUDING MEDICAL, DENTAL, AND HOSPITAL SPECIALTIES)

1. Lockers (except especially designed and made for the armed services), partitions, and shelving.
2. Show and display cases (including wall types), show and display tables, cabinets (floor and wall types), and counters.
3. Store and office decorative and ornamental fixtures.
4. Telephone booths.

IV. HOUSEHOLD APPLIANCES, HOUSEHOLD MACHINES, AND HOUSEHOLD EQUIPMENT

1. Cooking stoves and ranges.
2. Small electric appliances, including but not limited to: broilers; coffee percolators and urns; heating units for coffee makers; hot plates and disc stoves; roasters; toasters; waffle irons; sandwich grills; cookers; caseroles; food mixers; juice extractors; drink mixers and whippers; hand and hair dryers; vibrators; portable electric air space heaters; electric steam radiators; flat irons, including steam irons; and immersion heaters.
3. Electric fans, 16 inches and under.
4. Floor waxing and polishing machines.
5. Portable electric lamps, including office types, such as, floor, bridge, desk, torch, table, pin-up lamps, and lamp shades.
6. Home laundry equipment, including but not limited to: clothes dryers, gas and electric; mechanical ironers and mangles; and washing machines, electric and gasoline types.
7. Refrigerators, mechanical and ice, and cabinets for household refrigerators sold separately.
8. Home and farm freezers under 13 cubic foot capacity, and cabinets for same sold separately.
9. Dish-washing machines.
10. Water softeners.
11. Automatic food and garbage disposal units.
12. Vacuum cleaners.
13. Carpet sweepers.
14. Packaged air conditioning units (window and console types) ¾ horsepower and under.

V. UTENSIL AND CUTLERY

1. Pocket knives.
2. Silverware, including but not limited to: flatware, hollow ware, novelties, toilet ware, and trophies.
3. Plated ware, including but not limited to: flatware, hollow ware, novelties, toilet ware, and trophies.
4. Table and kitchen cutlery, such as all types of knives, forks, spoons, and carving sets.

VI. RADIO, TELEVISION, AND PHONOGRAPHS

1. Radio receivers, home, portable, and broadcast band automobile receivers.
2. Radio-phonograph combinations.
3. Television receivers.
4. Radio-television receivers, television-phonograph combinations, and radio-television-phonograph combinations.
5. Phonographs and record players.

VII. TRANSPORTATION EQUIPMENT

1. Passenger automobiles and station wagons.
2. Motorcycles, motor scooters, motor bikes.
3. Bicycles.
4. Ships and boats, except military and commercial.
5. Aircraft, except military and commercial.

VIII. MISCELLANEOUS ITEMS

1. Cameras, amateur box type still picture, fixed focus (except reflex), and 8-mm. motion picture cameras and projectors.
2. Coin operated scales and automatic merchandising machines.
3. Games, toys, and children's vehicles.
4. Jewelry, novelties, ornaments, and jewelry cases.
5. Lawn mowers, rollers, seeders, and tampers.
6. Musical instruments.
7. Pianos and organs.
8. Paper weights, desk and document trays, and letter openers.
9. Smokers' articles such as ash trays; cigar, cigarette, and match cases; and holders, lighters, pipe cleaners, and smoking stands.

10. Venetian blinds, shades, and awnings.
11. Fireplace fixtures and equipment such as dampers, irons, and fire screens.
12. Sporting and athletic goods.
13. Morticians' goods and equipment such as caskets, coffins, vaults, liners, but excluding wooden coffin hardware, instruments, and supplies.
14. Coin or slug operated gambling, amusement, or musical devices or machines.
15. Signs and advertising displays.
16. Mirror and picture frames.
17. Wire garment hangers.

IX. ACCESSORIES

Accessories for any single item in this List A shall constitute a separate item for the purposes of this order, and shall also be an item separate from the item to which it is an accessory.

An "accessory" shall mean any product used with or attachable to an item described in this List A and which is generally known in the trade as an "accessory."

[F. R. Doc. 51-4864; Filed, Apr. 24, 1951; 3:31 p. m.]

TITLE 38—PENSIONS, BONUSES, AND VETERANS' RELIEF

Chapter I—Veterans' Administration

PART 21—VOCATIONAL REHABILITATION AND EDUCATION

SUBPART C—TRAINING FACILITIES

1. A new cross reference is added immediately following § 21.443 to read as follows:

CROSS REFERENCE: Payment of tuition to profit educational or training institutions operating on a clock-hour basis for Part VII and Part VIII trainees where the trainee is absent from scheduled instructional periods. (See § 21.520.)

2. A new § 21.520 is added as follows:

§ 21.520 *Payment of tuition to profit educational or training institutions operating on a clock-hour basis for Part VII and Part VIII trainees where the trainee is absent from scheduled instructional periods*—(a) *General.* This section sets forth the policy of the Veterans Administration for determining the maximum payment that may be made to a profit educational or training institution operating on a clock-hour basis for a Part VII or Part VIII veteran where the veteran does not receive training because of absences or holidays.

(b) *Definitions.* The following definitions apply to the words and phrases used in this section:

(1) Absence: Failure to attend the institution during regularly scheduled hours of required attendance.

(2) Emergency absence: Absence not due to fault of veteran necessitated by emergencies, such as (i) death in the immediate family, illness of the trainee or a member of his immediate family as evidenced by a written statement filed with the institution signed by the trainee or a physician, or (ii) certain legal requirements such as jury duty and time spent in court where the trainee is detained by legal authority.

(3) Regularly scheduled hours of required attendance: The number of hours of attendance required of the trainee on the school premises as predetermined and scheduled by the school in the course outline and listing of class schedules, exclusive of any lunch periods.

(4) Instructional day: A day on which scheduled instruction is actually given.

(c) *Profit schools which are required to meet the criteria set forth in section 5, Public Law 610, 81st Congress.* The following policy with respect to payment for absences shall apply for veteran training:

(1) The standards of educational institutions with respect to attendance, progress and conduct as approved by the State under paragraph 11 (e) 2 d, Part VIII Veterans Regulation 1 (a) as amended (added by section 5, Public Law 610, 81st Congress) (38 U. S. C. ch. 12 note), will be recognized by the Veterans' Administration: *Provided,* That the maximum absences for which the Veterans' Administration will make payment for instructional time missed are as follows:

(i) Not to exceed a total of 30 days, or the equivalent expressed in clock-hours of absence (i. e., the number of daily instructional hours times 30) in a full-time course in a 12-month period of enrollment or a pro rata part of 30 days, or of the appropriate number of clock-hours, for periods of enrollment of less than 12 months. (For part-time courses, see subdivision (iv) of this subparagraph.)

(ii) Not to exceed a total of 3 days, or the equivalent expressed in clock-hours as defined in subdivision (i) of this subparagraph, of absence in a full-time course in any one calendar month. Such absence will be noncumulative beyond said period. (For part-time courses, see subdivision (iv) of this subparagraph.) In addition, the total of monthly absences for a 12-month period (or the total of the prorated part for shorter periods) shall not exceed the total as shown in subdivision (i) of this subparagraph.

(iii) Emergency absence not in excess of 10 days during a period of enrollment of 12 calendar months. Emergency absence will be allowed in addition to absences allowed under subdivision (ii) of this subparagraph, but the total of absences under this subdivision and subdivision (ii) of this subparagraph will not be in excess of the limitations as prescribed in subdivision (i) of this subparagraph.

(iv) Absences (including emergency absence) in part time courses not in excess of the pro rata part of the absences allowed for full-time courses that the part-time course bears to the full-time course.

(v) In the determination of absences in subdivisions (i) through (iv) of this subparagraph, the following is applicable for tardy students: a student who is late three times in one month will be charged with one day of absence, or the equivalent of one day of absence expressed in clock-hours.

(2) Payment of tuition will not be made for any periods except for instructional days on which the school schedules and offers instruction on a required attendance basis.

(3) The length of the course will be expressed in terms of total hours of instruction even though the length of the course is also expressed in terms of weeks or months.

(4) The contract or other specified rate for tuition will be expressed at a rate per student clock-hour.

(5) Vouchers submitted by the educational institution to the Veterans Administration will not include any claim for absences from regularly scheduled instructional time in excess of the limitations prescribed in subparagraphs (1) and (2) of this paragraph. As an example of the application of the above 3-day per month limitation for a full-time course, if a veteran were absent 5 instructional days in one month and there were 23 instructional days in that month, the veteran would have been absent 2 days in excess of allowable limitations prescribed in this paragraph, and the Veterans Administration would not pay for more than 21 instructional days in such case.

(6) Tuition will be payable only from the first day of the veteran's actual physical attendance for scheduled instruction and will terminate with the last day of actual physical attendance where the trainee withdraws or is separated from the educational institution.

(7) In the usual practices of educational institutions, regularly scheduled classes provide the total formal instruction of a course. In individual cases where the number of absences from scheduled instruction causes the instructors and officials of the school to consider the need for either discontinuing the student or prescribing make-up work, the individual student's possibility of completing the course through special make-up work is considered by the school. In such cases the school usually does not expend additional funds for teachers' salaries, operating or other expenses, nor will the Veterans' Administration agree to allow any such expenses either in the computation of contract rates or in vouchering for instruction. Therefore, the Veterans' Administration will not pay the institution for make-up work or make-up time where absences are in excess of the number as prescribed in this paragraph.

(d) *Profit schools which are not required to meet the criteria set forth in section 5, Public Law 610, 81st Congress.* When the enrollment in a course in an educational institution operating on a clock-hour basis consists of more than 25 students or one-fourth of the students enrolled, whichever is greater, paying their own tuition, and the institution publishes a catalog, bulletin, circular, or otherwise makes a certification to the Veterans' Administration, setting forth the tuition charges, the length of the course will be expressed in the usual terms used by the educational institution in such publications or certifications. The Veterans' Administration will accept the policies of such educational institutions regarding absences: *Provided,* That the Veterans' Administration regional office manager in his judgment considers such policies as reasonable and they are approved by the appropriate State approving agency. The basis of payment by the Veterans' Administration for holidays in schools having a majority of nonveterans will be either as stated in

subparagraph (1) or (2) of this paragraph.

(1) *Schools with courses stated on a weekly or monthly basis.* Where charges for a course of instruction are clearly stated to be on a weekly or monthly basis and the length of the course is expressed only in terms of weeks or months, such charges will be paid without reduction for national legal holidays, or other officially recognized State holidays as determined by the Veterans' Administration regional office manager: *Provided,* That the total payment for the course will not exceed the amount derived by multiplying the total number of weeks or months in the course by the rate per week or per month. Where it is specifically provided in the institution's catalog, bulletin, or certification that charges will not be made for holidays, the foregoing will not be applied and payment will not be made for holidays.

(2) *Schools with courses stated in terms of total clock-hours.* Where the course of instruction consists of a stated number of total clock-hours of instruction, regardless of an additional statement as to the length of the course in weeks or months, sufficient instructional days must be offered to provide for all instructional hours in the course.

(e) *Flight schools, language schools, et al., with tuition rate per hour.* Where the school customarily provides instruction at a tuition rate per hour of instruction as in the case of flight training, language lessons, music lessons, etc., the basis of payment should be clearly specified either in the contract or in the published bulletin or certification of the institution where a contract is not required under Veterans' Administration Regulations. Payment will only be made for the hours of instruction actually furnished to and received by the veteran where the school customarily provides instruction at a tuition rate per hour of instruction as above.

(f) *Responsibility of educational institutions.* It is the responsibility of the educational institution to maintain accurate records of attendance including all basic and related records of attendance for each veteran-trainee enrolled therein under the provisions of Part VII and Part VIII, as amended. There shall be recorded on the attendance records of the educational institution all absences regardless of reason and whether such are due to authorized emergency absence or other absences. Vouchers prepared for tuition will be substantiated by recorded attendance in accordance with the provisions set forth in this paragraph; and, upon demand by the Veterans' Administration, such original records must be produced or made available for inspection.

(g) *Payment provisions.* For those profit educational institutions which are not required to and do not have a contract under Veterans' Administration regulations, the regulations in this section shall be applied effective July 1, 1951. In existing contracts having provisions relating to the payment for absences, this section will become effective from the date following expiration of such contracts. As contracts are renewed, or new contracts are prepared for veteran training under Part VII and Part VIII, provisions will be added to contracts to include the above-mentioned policies where applicable.

(h) *Absence and leave.* Educational institutions, referred to in this section, may continue to grant leave in accordance with their established policy for granting leave to all students and they will continue to inform the Veterans' Administration on prescribed reports where leave is unauthorized or exceeds 30 days in a calendar year (or the proper pro rata amount of 30 days for courses of less than a calendar year in duration). The policy announced in paragraphs (a) through (g) of this section deals with the matter of payment of tuition to such schools where absences from scheduled instructional periods occur. Nothing contained in this section is to be interpreted to conflict with prevailing regulations (§ 21.65) respecting the granting of leave.

(Sec. 2, 46 Stat. 1016, sec. 7, 48 Stat. 9, sec. 2, 57 Stat. 43, as amended, sec. 400, 58 Stat. 287, as amended; 38 U. S. C. and Sup. 11a, 701, 707, ch. 12 note. Interprets or applies secs. 3, 4, 57 Stat. 43, as amended, secs. 300, 1500–1504, 1506, 1507, 58 Stat. 286, 300, as amended; 38 U. S. C. and Sup. 693g, 697–697d, 697f, g, ch. 12 note)

This regulation effective April 26, 1951.

[SEAL] O. W. CLARK,
Deputy Administrator.

[F. R. Doc. 51-4821; Filed, Apr. 25, 1951; 8:51 a. m.]

PART 21—VOCATIONAL REHABILITATION AND EDUCATION

SUBPART C—TRAINING FACILITIES

1. In § 21.539, the title and paragraph (n) are amended and a new paragraph (o) is added as follows:

§ 21.539 *Books, supplies and equipment, including tools, for Part VII or Part VIII trainees; furnished by an educational institution.* * * *

(n) *Limitations on procurement of tools, supplies and equipment and payment therefor.* (1) Under the provisions of paragraph 5, Part VIII, Veterans Regulation 1 (a), as amended, the Administrator may pay for books, supplies, equipment, and other necessary expenses as are generally required for the successful pursuit and completion of the course by other students in the institution. Paragraph (e) (1) of this section provides that the institution will assure itself that the Veterans' Administration is not billed for "supplies" at an unreasonable price and paragraph (e) (6) of this section provides that if the institution furnishes items of "supplies" specifically purchased for trainees only (i. e., not handled through a book or supply store for all students), such items will be billed at cost to the institution. Under the regulations in this section the Veterans' Administration will pay for "supplies" at prices regularly and customarily charged to other students where there are substantial numbers of students other than those pursuing courses under the provisions of Part VII and Part VIII, Veterans Regulation 1 (a), as amended, and where there is a well-established policy of the institution with respect to the requirement for the student to furnish personally the "supplies."

(2) In all other cases of institutions or courses established subsequent to June 22, 1944, where the enrollment in the institution or courses involved consists solely or primarily of veterans pursuing courses under the provisions of Part VII and Part VIII, as amended, the Veterans' Administration will pay for "supplies" at a price not in excess of the lowest wholesale price at which the "supplies" may be purchased in a competitive market. This policy is for application in the case of all "supplies", including those for which separate reimbursement is made to the institution and those which are included in the over-all tuition or fee charge.

(i) Except as provided in subparagraph (1) of this paragraph, effective June 22, 1950, the Veterans' Administration will not agree prospectively to pay for tools, supplies, and equipment, unless such items are provided at the rate established by the lowest of at least three bids or quotations from reputable and reliable established dealers or distributors. Therefore, prior to the negotiation or renewal of any contract and prior to the approval of payment bases for tools, supplies, and equipment for educational institutions receiving payment without a contract, each educational institution affected under this subparagraph will be required to submit or make available to the Veterans' Administration such data and information as will clearly indicate to the satisfaction of the Veterans' Administration that the agreed amount to be paid by the Veterans' Administration for items necessary for veteran training under Part VII and Part VIII is no greater than the lowest price at which such items can be procured in a competitive market. When possible, at least three bids or quotations will be solicited from prime sources of supply. Competition between a manufacturer and his distributors or jobbers or a bid or quotation by a firm debarred by the Veterans' Administration from bidding on Veterans' Administration requirements or affiliates of such firm will not be considered as complying with the intent of this subdivision. Acceptable bids or quotations will show prices for items delivered at the school (i. e., f. o. b. the school) and also will show all trade discounts. Where tools, supplies, and equipment are purchased by the Veterans' Administration for veterans who are training on the job, which are the same or comparable to those required by the school to be furnished for veterans, the Veterans' Administration regional office will inform the educational institution that one of the bids or quotations must be from such a Veterans' Administration designated supply source. After the Veterans' Administration has determined that the items have been or will be procured at a reasonable price, the source of supply is not a matter of concern for the Veterans' Administration, except that the cost of supplies pro-

cured from a debarred bidder and issued to a veteran in training will not be paid for by the Veterans' Administration unless the price charged by such firm or affiliate for articles of equal quality is lower than any of the bids submitted by qualified bidders. The assistant administrator for construction, supply, and real estate will designate the firms and affiliates which are debarred from bidding on Veterans' Administration requirements and advise the assistant administrator for vocational rehabilitation and education accordingly. The assistant administrator for vocational rehabilitation and education will take appropriate steps to notify the field stations as to actions to be taken in any case where suppliers are debarred as provided in this subdivision.

(ii) Under existing contracts with institutions affected under this subparagraph, the Veterans' Administration will not pay a marked-up price to the institution (whether or not within retail or list price) where the supplies have been procured from or through a dummy corporation or other affiliate of the institution but will pay for such supplies at an amount not in excess of the cost thereof to such dummy corporation or affiliate.

(iii) In addition to the above limitations respecting the payment for tools, supplies, and equipment, it is emphasized that only the amounts and kind of tools, supplies, and equipment which normally are required by well-established schools offering the same or similar instruction and which are essential to the training process will be provided for training of veterans under Part VII and Part VIII, as amended. Under the provisions of Part VIII, as amended, the Veterans' Administration has no authority to furnish personally to a veteran enrolled in institutional training any tools, supplies, and equipment which have been customarily maintained by well-established educational institutions and issued to students from a central tool room or tool crib as needed during classroom periods; or which are maintained at central points in a classroom or laboratory on tool boards, benches, racks, stands, or in cabinets, where they can be used as needed by individual students without materially delaying or retarding the progress of other students; or which are maintained for the use of instructors to demonstrate processes to groups of students or to check, test, or gauge periodically the results of student work. Such tools, supplies, and equipment shall be considered capital equipment to be furnished by the institution as distinguished from those tools, supplies, and equipment each student is customarily required and expected to own and which he needs to have in his possession at all times in his tool kit or on his desk or bench at each class period in order to progress satisfactorily in training without disrupting the work of other students.

(o) *Reexamination of charges.* In any case where the manager believes that the last contract rate for tuition, books, or supplies was obtained as a result of fraud, misrepresentation, or was in conflict with the governing regulation, the manager will carefully reexamine such rate, and, if the contract is determined to have been invalid, the manager will take appropriate action including the negotiation of a contract on a proper and legal basis.

2. In § 21.549, paragraph (d) is deleted:

§ 21.549 *Payments for related training.* * * *

(d) [Deleted.]

(Sec. 2, 46 Stat. 1016, sec. 7, 48 Stat. 9, sec. 2, 57 Stat. 43, as amended, sec. 400, 58 Stat. 287, as amended; 38 U. S. C. and Sup. 11a, 701, 707, ch. 12 note. Interprets or applies secs. 3, 4, 57 Stat. 43, as amended, secs. 300, 1500–1504, 1506, 1507, 58 Stat. 286, 300, as amended; 38 U. S. C. and Sup. 693g, 697–697d, 697f, g, ch. 12 note)

This regulation effective April 26, 1951.

[SEAL] O. W. CLARK,
Deputy Administrator.

[F. R. Doc. 51–4822; Filed, Apr. 25, 1951; 8:51 a. m.]

TITLE 43—PUBLIC LANDS: INTERIOR

Subtitle A—Office of the Secretary of the Interior

PART 2—RECORDS AND TESTIMONY

DETERMINATIONS AS TO AVAILABILITY OF RECORDS

APRIL 20, 1951.

Paragraph (c) of § 2.2 is amended to read as follows:

(c) In the exercise of the authority conferred in this section, no officer or employee of the Department may disclose a record (or its contents) which is classified as "Top Secret", "Secret", "Security Confidential", or "Restricted" to any person who has not been properly cleared for the receipt of such information; and no officer or employee other than the Secretary, the Under Secretary, an Assistant Secretary, the Administrative Assistant Secretary, or the head of a bureau or office may disclose to a person outside the Department a record (or its contents) which has a nonsecurity designation of "Confidential": *Provided, however,* That factual data contained in field reports of the Bureau of Land Management having only a nonsecurity designation of "Confidential" may be referred to in decisions and correspondence signed by the managers, regional administrators, regional division chiefs, division chiefs and subdivision chiefs without revealing sources of information, and copies of such field reports may be furnished to any Federal agency on behalf of which the investigations embodied in the field reports were made.

(R. S. 161; 5 U. S. C. 22)

OSCAR L. CHAPMAN,
Secretary of the Interior.

[F. R. Doc. 51–4797; Filed, Apr. 25, 1951; 8:45 a. m.]

Chapter I—Bureau of Land Management, Department of the Interior

Appendix—Public Land Orders

[Public Land Order 714]

WASHINGTON

RESERVING PUBLIC LAND FOR USE IN CONNECTION WITH THE CONSTRUCTION OF THE CHIEF JOSEPH DAM PROJECT

By vitrue of the authority vested in the President and pursuant to Executive Order No. 9337 of April 24, 1943, it is ordered as follows:

Subject to valid existing rights, the following-described public land is hereby withdrawn from all forms of appropriation under the public-land laws, including the mining and mineral-leasing laws, and reserved for use in connection with the construction of the Chief Joseph Dam Project in the Columbia River under the supervision of the Department of the Army, as authorized by the act of July 24, 1946, 60 Stat. 634, 637, under the designation "Columbia River at Foster Creek, Washington; House Document Numbered 693, Seventy-ninth Congress;":

WILLAMETTE MERIDIAN

T. 29 N., R. 25 E.,
Sec. 26, SW¼NE¼.

The area contains 40 acres.

It is intended that the land described above shall be returned to the administration of the Department of the Interior when it is no longer needed for the purpose for which it is reserved.

OSCAR L. CHAPMAN,
Secretary of the Interior.

APRIL 20, 1951.

[F. R. Doc. 51–4798; Filed, Apr. 25, 1951; 8:46 a. m.]

[Public Land Order 715]

ALASKA

RESERVING PUBLIC LANDS FOR THE USE OF THE DEPARTMENT OF THE AIR FORCE FOR MILITARY PURPOSES

By virtue of the authority vested in the President and pursuant to Executive

Order No. 9337 of April 24, 1943, it is ordered as follows:

Subject to valid existing rights, the following-described public lands in Alaska are hereby withdrawn from all forms of appropriation under the public-land laws, including the mining and mineral-leasing laws, and reserved for the use of the Department of the Air Force for military purposes:

1. Beginning at point the geographic position of which is 71°00′ north latitude, 156°57′ west longitude,

Thence south 6 miles; west 12 miles; north 11 miles; east 12 miles; south 5 miles, to the point of beginning; containing approximately 84,480 acres.

2. All of Kaktoavik Island in the Barter Island Group, in latitude 70°08′ N., longitude 143°40′ W., containing approximately 4,500 acres.

This order shall take precedence over but not otherwise affect (1) Executive Order No. 3797–A of February 27, 1923, reserving lands as a naval petroleum reserve, as amended by Public Land Order No. 289 of July 20, 1945, (2) Public Land Order No. 82 of January 19, 1943, reserving lands and the minerals therein under the jurisdiction of the Secretary of the Interior for use in connection with the prosecution of the war, as modified by Public Land Orders No. 250 of November 20, 1944, and No. 254 of December 15, 1944, and (3) Public Land Order No. 324 of August 14, 1946, reserving lands for classification and proposed designation as a native reservation, so far as such orders affect any of the above-described lands.

This order shall be subject to the following-described rights: *Provided*, That such rights are not inconsistent with military requirements and that at no time shall military security be jeopardized as the result of joint use of the lands reserved hereby:

(1) The right of the natives and other inhabitants to mine coal from existing mines and to remove coal by existing routes.

(2) The right in the natives to hunt, fish, trap, and otherwise use the land in their customary manner.

(3) Possessory rights or claims of natives, if any exist.

(4) The right of the Department of the Navy to continue exploration for oil and gas and to produce these minerals, if they are found in commercial quantities.

It is intended that the lands described above shall be returned to the administration of the Department of the Interior when they are no longer needed for the purpose for which they are reserved.

OSCAR L. CHAPMAN,
Secretary of the Interior.

APRIL 20, 1951.

[F. R. Doc. 51–4799; Filed, Apr. 25, 1951; 8:46 a. m.]

TITLE 49—TRANSPORTATION

Chapter I—Interstate Commerce Commission

Subchapter A—General Rules and Regulations

PART 7—LIST OF FORMS, PART II, INTERSTATE COMMERCE ACT

EDITORIAL NOTE: Federal Register Document 51–4806 (Part 168 of this chapter), *infra*, supersedes Forms BMC 73 and 74 (§§ 7.73 and 7.74), and adds Form BMC 78 (§ 7.78). Text of § 7.78 is as follows:

§ 7.78 *B. M. C. 78.* Application for motor carrier certificate or permit.

Subchapter B—Carriers by Motor Vehicle

PART 168—APPLICATIONS FOR CERTIFICATES AND PERMITS

In the matter of applications under sections 206, 207, 209, and 210 Interstate Commerce Act.

At a session of the Interstate Commerce Commission, Division 5, held at its office in Washington, D. C., on the 15th day of January, A. D. 1951.

The matter of applications under the above title being under consideration: It is ordered that:

§ 168.1 *Application form.* (a) Applications for motor carrier certificates and permits to continue, institute, change, or extend motor carrier operations, or to engage in dual operations, in interstate or foreign commerce under the Interstate Commerce Act, shall be in the form and contain the information called for in the form of application designated as BMC 78[1] (§ 7.78).

(b) The verified original of each such application shall be filed with this Commission, one true copy thereof shall be furnished the District Director or Supervisor of the Bureau of Motor Carriers located in the district wherein applicant is domiciled, and one true copy shall be delivered, in person or by registered or receipted mail, to the Board, Commission, or official (or Governor if there is no Board, Commission, or official) having authority to regulate the business of transportation by motor vehicles, of each State in or through which applicant operates or proposes to operate. A notice of the filing of such application, Form BMC 15 (Revised) (§ 7.15), must also be delivered, in person or by registered or receipted mail, to each motor carrier and each carrier by rail or water, known to the applicant, with whose service the operations described in such application are or will be directly competitive.

It is further ordered, that the use of Forms BMC 73 and 74 (§ 7.73 and § 7.74) in applying for authority from this Commission shall be discontinued and that the orders heretofore entered in prescribing those forms be, and they are hereby, superseded by this order.

And it is further ordered, that this order shall become effective on the 15th day of March, 1951.

(49 Stat. 546, as amended; 49 U. S. C. 304)

By the Commission, Division 5.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 51–4806; Filed, Apr. 25, 1951; 8:48 a. m.]

[1] Filed as part of the original document.

[Ex Parte MC–5]

PART 174—SURETY BONDS AND POLICIES OF INSURANCE

At a session of the Interstate Commerce Commission, Division 5, held at its office in Washington, D. C., on the 13th day of April A. D. 1951.

In the matter of security for protection of the public as provided in Part II of the Interstate Commerce Act, and of rules and regulations governing filing and approval of surety bonds, policies of insurance, qualifications as a self-insurer, or other securities and agreements by motor carriers and brokers subject to Part II of the act.

In the matter of security for protection of the public as provided in Part IV of the Interstate Commerce Act, and of rules and regulations governing filing and approval of surety bonds, policies of insurance, qualifications as a self-insurer, or other securities and agreements by freight forwarders subject to Part IV of the act.

It appearing, that by order of November 25, 1949, the above-entitled proceedings were reopened, on motion of the Commission, Division 5, for further hearing for the purpose of determining whether the amounts of public liability and property damage insurance required by rule II (49 CFR 1947 Supp., 174.2) of our rules and regulations prescribed in Motor Carriers Insurance for Protection of the Public, 1 M. C. C. 45, and by rule 3 (49 CFR 1944 Supp., 405.3) of our rules and regulations prescribed in Freight Forwarder Insurance for Protection of the Public, 260 I. C. C. 375, should be increased;

It further appearing, that such further hearing has been held, that full investigation of the matters and things involved has been made, and that said division, on the date hereof, has made and filed a report on further hearing containing its findings of fact and conclusions thereon, which report is hereby referred to and made a part hereof:

It is ordered, That from and after June 22, 1951, rule II of the rules and regulations prescribed by the order of August

3, 1936, in Ex Parte No. MC–5 and rule 3 of the rules and regulations prescribed by the order of October 11, 1944, in Ex Parte No. 159, be, and they are hereby, amended as follows:

§ 174.2 *Insurance, minimum amounts.* The minimum amounts referred to in § 174.1 are hereby prescribed as follows:

(a) *Motor carriers; bodily injury liability, property damage liability.*

(1) Kind of equipment	(2) Limit for bodily injuries to or death of one person	(3) Limit for bodily injuries to or death of all persons injured or killed in any one accident (subject to a maximum of $5,000 for bodily injuries to or death of one person)	(4) Limit for loss or damage in any one accident to property of others (excluding cargo)
Passenger equipment (seating capacity):			
7 passengers or less	$10,000	$30,000	$5,000
8 to 12 passengers, inclusive	10,000	40,000	5,000
13 to 20 passengers, inclusive	10,000	60,000	5,000
21 to 30 passengers, inclusive	10,000	80,000	5,000
31 passengers or more	10,000	100,000	5,000
Freight equipment:			
All motor vehicles used in the transportation of property	10,000	20,000	5,000

* * * * * * *

(49 Stat. 557; 49 U. S. C. 315)

Subchapter D—Freight Forwarders

[Ex Parte 159]

PART 405—SURETY BONDS AND POLICIES OF INSURANCE

§ 405.3 *Limits of liability.* The minimum amounts referred to in § 405.2 are hereby prescribed as follows:

* * * * *

(b) *Public liability and property damage.* Limits for bodily injury to or death of any person, or loss of or damage to property, except property referred to in paragraph (a) of this section:

(1) For bodily injuries to or death of one person—$10,000.

(2) For bodily injuries to or death of all persons injured or killed in any one accident, subject to a maxmum of $10,000 or bodily injuries to or death of one person—$20,000.

(3) For loss of or damage in any one accident to property, excluding cargo, of others—$5,000.

(56 Stat. 285; 49 U. S. C. 1003)

Notice of this order shall be given to the general public by depositing a copy hereof in the office of the Secretary of the Commission at Washington, D. C., and by filing copies with the Director of the Division of the FEDERAL REGISTER.

By the Commission, Division 5.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 51–4805; Filed, Apr. 25, 1951; 8:47 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Production and Marketing Administration

[7 CFR, Parts 725, 726]

BURLEY AND FLUE-CURED TOBACCO

FIRE-CURED, DARK AIR-CURED, AND VIRGINIA SUN-CURED TOBACCO

NOTICE OF FORMULATION OF REGULATIONS RELATING TO MARKETING OF TOBACCO, COLLECTION OF MARKETING PENALTIES, AND RECORDS AND REPORTS, 1951-52 MARKETING YEAR

Pursuant to the authority contained in the applicable provisions of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1301, 1311–1315, 1372–1375), the Secretary of Agriculture is preparing to formulate marketing quota regulations covering the issuance of marketing cards, the identification of tobacco, the collection and refund of penalties, and the records and reports incident thereto on the marketing of Burley, flue-cured, fire-cured, dark air-cured, and Virginia sun-cured tobacco, for the 1951–52 marketing year.

The Secretary is considering the issuance of regulations for the 1951–52 marketing year substantially the same as those issued for 1950–51 (15 F. R. 3608, Burley and flue-cured) (15 F. R. 5527, fire-cured, dark air-cured, and Virginia sun-cured) except for the additional provisions discussed below.

(1) A provision for making any suspended sale subject to penalty which is not identified by a valid memorandum of sale within four weeks or on or before the last warehouse sale day of the marketing season, whichever comes first. The 1950–51 regulations permitted sales to remain in suspension the full four weeks without regard to the end of the marketing season. The change is considered necessary because of the difficulty encountered in the past in clearing suspended sales after the warehouse closes for the marketing season.

(2) A provision which would require that a warehouseman on whose floor more than one kind of tobacco is offered for sale at public auction display each kind separately and maintain records that will insure separate identification and accounting with respect to each kind. This amounts to an extension of the provision in the 1950–51 fire-cured, dark air-cured, and Virginia sun-cured regulations which provided for separate display and records with respect to Virginia fire-cured and Virginia sun-cured tobacco.

(3) A specific provision making all nonwarehouse sales subject to the converted rate of penalty for the farm for which the marketing card is issued, without regard to the amount of the net proceeds of the sale. While this would not be a new provision in the program, it is felt that more specific language is necessary in order to clarify the amount of penalty due on nonwarehouse sales.

Prior to the final adoption and issuance of such regulations, consideration will be given to any data, views, or recommendations pertaining thereto, which are submitted in writing to the Director, Tobacco Branch, Production and Marketing Administration, United States Department of Agriculture, Washington 25, D. C. All submissions must be postmarked not later than fifteen days from the date of publication of this notice in the FEDERAL REGISTER in order to be considered.

Issued at Washington, D. C., this 23d day of April 1951.

G. F. GEISSLER, *Administrator.*

[F. R. Doc. 51–4835; Filed, Apr. 25, 1951; 8:55 a. m.]

[7 CFR, Part 946]

HANDLING OF MILK IN LOUISVILLE, KY., MARKETING AREA

DECISION WITH RESPECT TO A PROPOSED MARKETING AGREEMENT AND A PROPOSED ORDER AMENDING THE ORDER, AS AMENDED

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and marketing orders (7 CFR Part 900), public hearings were conducted at Louisville, Kentucky, on December 18–21, 1950, and on March 9 and 14, 1951, pursuant to notices thereof which were issued December 13, 1950, and March 3, 1951, respectively (15 F. R. 8827 and 16 F. R. 2041).

Upon the basis of the evidence introduced at the hearings and the record thereof, the Assistant Administrator, Production and Marketing Administration, on April 11, 1951, filed with the Hearing Clerk, United States Department of Agriculture, his recommended decision in this proceeding. The notice of filing such recommended decision and opportunity to file written exceptions thereto was published in the FEDERAL REGISTER on April 14, 1951 (16 F. R. 3307).

The material issues and the findings and conclusions of the recommended decision (16 F. R. 3307) are hereby approved and adopted as the material

issues and findings and conclusions of this decision as if set forth in full herein.

Ruling on exceptions. In arriving at the findings and conclusions included in this decision each of the exceptions received was carefully and fully considered in conjunction with the record evidence pertaining thereto. To the extent that the findings and conclusions herein are at variance with the exceptions, such exceptions are overruled.

General findings. (a) The proposed marketing agreement and the order, as amended, and as hereby proposed to be further amended, and all of the terms and conditions thereof will tend to effectuate the declared policy of the act;

(b) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supply of and demand for milk in the marketing area, and the minimum prices specified in the proposed marketing agreement and in the order, as amended, and as hereby proposed to be further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(c) The proposed marketing agreement and the order, as amended and as hereby proposed to be further amended, will regulate the handling of milk in the same manner as, and are applicable only to persons in the respective classes of industrial and commercial activity specified in the said marketing agreement upon which a hearing has been held.

Determination of representative period. The month of February 1951 is hereby determined to be the representative period for the purpose of ascertaining whether the issuance of the order amending the order, now in effect, regulating the handling of milk in the Louisville, Kentucky, marketing area, in the manner set forth below in the amending order is approved or favored by producers who, during such period, were engaged in the production of milk for sale in the marketing area specified in such marketing order.

Marketing agreement and order amending the order, as amended. Annexed hereto and made a part hereof are two documents entitled, respectively, "Marketing Agreement Regulating the Handling of Milk in the Louisville, Kentucky, Marketing Area," and "Order Amending the Order, as Amended, Regulating the Handling of Milk in the Louisville, Kentucky, Marketing Area," which have been decided upon as the detailed and appropriate means of effectuating the foregoing conclusions. These documents shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders have been met.

It is hereby ordered, That all of this decision, except the attached marketing agreement, be published in the FEDERAL REGISTER. The regulatory provisions of said marketing agreement are identical with those contained in the order, as amended, and as hereby proposed to be further amended by the attached order which will be published with this decision.

This decision filed at Washington, D. C., this 23d day of April 1951.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

Order[1] Amending the Order, as Amended, Regulating the Handling of Milk in the Louisville, Ky., Marketing Area

§ 946.0 *Findings and determinations.* The findings and determinations hereinafter set forth are supplementary to and in addition to the findings and determinations made in connection with the issuance of this order and of each of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900) public hearings were held December 18–21, 1950, and March 9 and 14, 1951, at Louisville, Kentucky, upon a proposed amendment to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the Louisville, Kentucky, marketing area. Upon the basis of the evidence introduced at such hearings and the record thereof, it is found that:

(1) The said order, as amended and as hereby further amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(2) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply of and demand for milk in the said marketing area, and the minimum prices specified in the order, as amended and as hereby further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(3) The said order, as amended and as hereby further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

[1] This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders have been met.

Order Relative to Handling

It is therefore ordered, That on and after the effective date hereof the handling of milk in the Louisville, Kentucky, marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended and as hereby further amended, and the aforesaid order, as amended, is hereby further amended as follows:

1. Delete § 946.4 (b) (1) and substitute therefor the following:

(1) *Class I milk.* The price for Class I milk shall be the basic formula price plus $1.25.

2. Delete § 946.7 (b) (3) and substitute therefor the following:

(3) Subtract for each of the delivery periods of April, May, June, and July an amount computed by multiplying the total hundredweight of milk received from producers by handlers whose milk plants are included under subparagraph (1) of this paragraph, by 12 percent of the average of the announced basic formula prices, computed to the nearest cent, for the twelve months of the preceding calendar year.

3. Amend § 946.8 (d) (2) by replacing the words "September, October, and November" and "September, October, or November" in such subparagraph by the words "September, October, November, and December" and "September, October, November, or December" respectively.

[F. R. Doc. 51–4836; Filed, Apr. 25, 1951; 8:55 a. m.]

[7 CFR, Part 978]

[Docket No. AO 184–A6]

HANDLING OF MILK IN NASHVILLE, TENN., MARKETING AREA

DECISION WITH RESPECT TO A PROPOSED MARKETING AGREEMENT AND A PROPOSED ORDER AMENDING THE ORDER NOW IN EFFECT

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and marketing orders (7 CFR Part 900), a public hearing was conducted at Nashville, Tennessee, on March 6, 1951, pursuant to notice thereof which was issued on February 28, 1951 (16 F. R. 2005).

Upon the basis of the evidence introduced at the hearing and the record thereof, the Assistant Administrator, Production and Marketing Administration, on April 9, 1951, filed with the Hearing Clerk, United States Department of Agriculture, his recommended decision in this proceeding. The notice of filing such recommended decision and opportunity to file written exceptions thereto was published in the FEDERAL REGISTER on April 12, 1951 (16 F. R. 3229; F. R. Doc. 51–4341).

The material issues and the findings and conclusions of the recommended decision (16 F. R. 3229; F. R. Doc. 51-4341) are hereby approved and adopted as the material issues and findings and conclusions of this decision as if set forth in full herein, except that the last sentence of the next to last paragraph under issue No. 4 is deleted and in place thereof there is inserted the following: "The proposed change is inconsistent with the principles underlying the plan."

Ruling on exceptions. In arriving at the findings and conclusions included in this decision each of the exceptions received was carefully and fully considered in conjunction with the record evidence pertaining thereto. To the extent that the findings and conclusions herein are at variance with the exceptions, such exceptions are overruled.

General findings. (a) The proposed marketing agreement and the order, as amended, and as hereby proposed to be further amended, and all of the terms and conditions thereof will tend to effectuate the declared policy of the act;

(b) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supply of and demand for milk in the marketing area, and the minimum prices specified in the proposed marketing agreement and in the order, as amended, and as hereby proposed to be further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(c) The proposed marketing agreement and the order, as amended and as hereby proposed to be further amended, will regulate the handling of milk in the same manner as, and are applicable only to persons in the respective classes of industrial and commercial activity specified in the said marketing agreement upon which a hearing has been held.

Determination of representative period. The month of February 1951 is hereby determined to be the representative period for the purpose of ascertaining whether the issuance of the order amending the order, now in effect, regulating the handling of milk in the Nashville, Tennessee, marketing area, in the manner set forth below in the amending order is approved or favored by producers who, during such period, were engaged in the production of milk for sale in the marketing area specified in such marketing order.

Annexed hereto and made a part hereof are two documents entitled, respectively, "Marketing Agreement Regulating the Handling of Milk in the Nashville, Tennessee, Marketing Area," and "Order Amending the Order, as Amended, Regulating the Handling of Milk in the Nashville, Tennessee, Marketing Area," which have been decided upon as the detailed and appropriate means of effectuating the foregoing conclusions. These documents shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders have been met.

It is hereby ordered, That all of this decision, except the attached marketing agreement, be published in the FEDERAL REGISTER. The regulatory provisions of said marketing agreement are identical with those contained in the order, as amended, and as hereby proposed to be further amended by the attached order which will be published with this decision.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

This decision filed at Washington, D. C. this 20th day of April 1951.

[SEAL] K. T. HUTCHINSON,
Acting Secretary.

Order[1] *Amending the Order, as Amended, Regulating the Handling of Milk in the Nashville, Tenn., Marketing Area*

§ 978.0 *Findings and determinations.* The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the Nashville, Tennessee, marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, as amended, and as hereby further amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(2) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds; available supplies of seeds and other economic conditions which affect market supply and demand for milk in the said marketing area and the minimum prices specified in the order, as amended, and as hereby further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(3) The said order, as amended, and as hereby further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

Order Relative to Handling

It is therefore ordered, That on and after the effective date hereof the handling of milk in the Nashville, Tennessee, marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended, and as hereby further amended, and the aforesaid order, as amended, is hereby further amended as follows:

1. Delete § 978.4 (b) (1) and substitute:

(1) Class I milk shall be all skim milk and butterfat: (i) Disposed of in fluid form as milk, skim milk, buttermilk, flavored milk, and flavored milk drinks, and Yoghurt and (ii) not specifically accounted for as Class II or Class III milk.

2. In § 978.4 (b) delete subparagraph (2) and substitute the following:

(2) Class II milk shall be all skim milk and butterfat disposed of in the form of cream, eggnog and any other cream product disposed of in fluid form which is required by the Nashville Health Department to be made from approved butterfat and skim milk.

3. In § 978.4 (d) delete subparagraph (4) and substitute:

(4) As Class I milk if transferred or diverted in the form of any item specified in paragraph (b) (1) of this section and as Class II milk if transferred or diverted in the form of any item specified in paragraph (b) (2) of this section, to a nonfluid milk plant located 85 miles or more from the City Hall in Nashville, Tennessee, by the shortest highway distance as determined by the market administrator, except in the case of fluid cream only, for the delivery periods of May and June 1951 if (i) the handler reports its use in another class and the operator of the receiving plant certifies to the market administrator in writing not later than the last day of the month next following the month in which such cream was shipped that such cream was used in the class reported by the handler, (ii) the operator of the nonfluid milk plant maintains books and records showing the utilization of all skim milk and butterfat at such plant which are made available if requested by the market administrator for the purpose of verification, (iii) not less than an equivalent amount of skim milk and butterfat was actually utilized in such plant in the use indicated in such certification: *Provided,* That if upon inspection of the records of such plant it is found that an equivalent amount of skim milk and butterfat was not actually used in such indicated use the remaining pounds shall be classified on the basis of the next highest-priced available use in accordance with the classes set forth in paragraph (b) of this section.

[1] This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders have been met.

4. Delete § 978.7 (b) (3) (ii) and substitute therefor the following:

(ii) For each of the delivery periods of October, November and December, add an amount equivalent to one-third of the total of the three amounts representing the cash balance established, during the delivery periods of April, May and June, immediately preceding, as a fall season production incentive pursuant to subparagraph (5) (ii) of this paragraph.

[F. R. Doc. 51-4813; Filed, Apr. 25, 1951; 8:49 a. m.]

DEPARTMENT OF COMMERCE

Civil Aeronautics Administration

[14 CFR, Part 410]

DELEGATION OPTION PROCEDURES FOR CERTIFICATION OF SMALL AIRPLANES

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that the Administrator contemplates the adoption of Part 410 to read in the manner indicated hereinafter. All interested persons who desire to submit written data, views, or arguments for consideration by the Administrator of Civil Aeronautics in connection with the proposed part shall send them to the Civil Aeronautics Administration, Office of Aviation Safety, Washington 25, D. C., within 30 days after publication of this notice in the FEDERAL REGISTER.

PART 410—DELEGATION OPTION PROCEDURES FOR CERTIFICATION OF SMALL AIRPLANES

SUBPART A—GENERAL

SUBPART B—DELEGATION OPTION AUTHORIZATION

SUBPART C—DELEGATION OPTION PROCEDURES

AUTHORITY: §§ 410.1 through 410.39 issued under sec. 205, 52 Stat. 984, as amended; 49 U. S. C. 425. Interpret or apply sec. 603, 52 Stat. 1009, as amended, sec. 310, 64 Stat. 1080; 49 U. S. C. and Sup. 553, 460.

§ 410.1 *Definitions of terms.* As used in this part:

(a) "Administrator" shall mean Administrator of Civil Aeronautics.

(b) "CAA" shall mean Civil Aeronautics Administration.

(c) "DACR" shall mean designated aircraft certification representative.

(d) *New type airplane.* For the purposes of this part, a new type airplane is defined as one for which the type design has not previously been type certificated, or one for which the type design has been so modified from a previously type certificated design that a substantially complete technical investigation is necessary to determine compliance with the applicable airworthiness requirements.

(e) "Secretary" shall mean Secretary of Commerce.

§ 410.2 *Basis and purpose.* (a) Section 603 of the Civil Aeronautics Act of 1938 (52 Stat. 1009; 49 U. S. C. 553) authorized the Civil Aeronautics Authority to conduct inspections and tests necessary to the issuance of aircraft type, production, and airworthiness certificates, and to issue such certificates. Section 7 of Reorganization Plan III of 1940 (54 Stat. 1233) transferred the functions to the Administrator. Section 2 of Reorganization Plan 5 of 1950 (15 F. R. 3174) transferred the functions to the Secretary. Section 3 of Department of Commerce Order 115 (15 F. R. 3195) retransferred the functions temporarily to the Administrator. Section 310 of the Civil Aeronautics Act of 1938 (60 Stat. 1070; 49 U. S. C. 460) authorized the Secretary to delegate the functions to properly qualified private persons. Amendment 7 to Department of Commerce Order 86 (16 F. R. 554) authorized the Administrator to exercise the powers vested in the Secretary by section 310 (a) of the Civil Aeronautics Act of 1938.

(b) Under delegation option procedures, type, production, and airworthiness certification of airplanes of not more than 5,000 lbs. maximum weight and carrying not more than 5 persons may be accomplished by manufacturers of airplanes utilizing a DACR. Under standard procedures, employees of the Administrator conduct inspections, examinations, and tests necessary to the issuance of certificates, and issue such certificates. Standard procedures will be available to manufacturers who are not eligible to use, or do not elect to use, the delegation option procedures.

SUBPART B—DELEGATION OPTION AUTHORIZATION

§ 410.11 *Application.* Application for an authorization from the Administrator to use the delegation option procedures shall contain the information specified in Appendix A to this part, and shall be submitted to the CAA Regional office for the region in which the manufacturer is located.

§ 410.12 *Authorization.* Upon receiving an application and finding that the applicant meets the eligibility requirements, the Administrator will issue an authorization to the applicant to use the delegation option procedures in accordance with the provisions of this part. A sample authorization is shown in Appendix B to this part.

§ 410.13 *Eligibility.* To be eligible for an authorization to use the delegation option procedure, the applicant shall:

(a) Hold a current type and production certificate issued to the applicant under the standard procedure, and

(b) Have in his organization an individual eligible for appointment by the Administrator as a Designated Aircraft Certification Representative in accordance with § 410.14.

§ 410.14 *Designated Aircraft Certification Representative (DACR).* A Designated Aircraft Certification Representative is an individual who:

(a) Holds a responsible position in a manufacturer's organization with respect to the design and manufacture of airplanes,

(b) Upon request by the manufacturer, has been issued a Certificate of Authority by the Administrator, and has been listed on the delegation option authorization issued to the manufacturer.

A DACR will be furnished CAA forms, and instructions on the use thereof, under the delegation option procedures.

§ 410.15 *Maintenance of eligibility.* (a) The holder of an authorization to use the delegation option shall employ a competent staff of engineering, flight test, production, and inspection personnel adequate to maintain compliance with the applicable certification requirements of Parts 1, 3, 4a, and 8 of Chapter I of this title.

(b) The Designated Aircraft Certification Representative required by § 410.13 (b) may be replaced by another individual upon request by the holder of the delegation option authorization and the appointment of such replacing individual by the Administrator.

§ 410.16 *Duration.* An authorization to use the delegation option procedure shall remain in effect until suspended, cancelled, or revoked by the Administrator. The holder of such authorization shall request the CAA to cancel it if he no longer desires to use the delegation option.

§ 410.17 *Transfer.* An authorization to use the delegation option procedure is not transferable.

§ 410.18 *Inspections.* Upon request, the applicant for a delegation option authorization, or the holder of such authorization shall permit authorized employees of the Administrator to inspect his organization, facilities, aircraft, and records.

SUBPART C—DELEGATION OPTION PROCEDURES

§ 410.31 *Limits of applicability.* (a) The delegation option procedures shall be applied only to airplanes which are manufactured by the holder of a delegation option authorization, and which:

(1) Are eligible for certification under the type, production, and airworthiness requirements of Parts 1, 3, 4a, or 8 of Chapter I of this title, or Bulletin 7A of the Bureau of Air Commerce,

(2) Have a maximum weight of no more than 5,000 pounds,

(3) Are designed to carry no more than 5 persons.

(b) Within the limitations prescribed in paragraph (a) of this section, the delegation option procedure may be applied to:

(1) Type certification,

(2) Changes in the type design of airplanes for which the manufacturer holds or obtains a type certificate,

(3) The amendment of the production certificate held by the manufacturer, to include additional airplane models or additional types for which he holds or obtains type certificates,

(4) The issuance of airworthiness certificates for airplanes of any type for which the manufacturer holds or obtains type and production certificates.

(c) The delegation option procedures may be applied to one or more airplane types as selected by the manufacturer, who shall notify the CAA of each airplane model, and the first airplane serial number of each model, manufactured by him under the delegation option procedures.

§ 410.32 *Type certificates.* (a) When a manufacturer desires to obtain a type certificate for a new type airplane under the delegation option procedures:

(1) The DACR for such manufacturer shall submit to the CAA an Application for a Type Certificate (Form ACA–312) together with a statement listing particular airworthiness requirements of this title by part and date, which the DACR considers applicable. After reviewing the application, the CAA will notify the DACR in an acceptance letter that the Administrator finds such requirements, or other specified requirements, applicable.

(2) After determining that the airplane meets the applicable airworthiness requirements, the DACR shall request the Administrator to issue a type certificate for such airplane. If the request for issuance of a type certificate is submitted more than one year after the date of application for the type certificate, the applicable requirements shall include all amendments to Parts 1, 3, 4a, or 8 of Chapter I of this title which have become effective up to a date one year prior to submittal of the request. A list of all such amendments, and any subsequent amendments voluntarily complied with, shall be included in the request. The request shall include a statement of compliance and the information prescribed in Appendix C to this part. The proposed Aircraft Specification, and if required by the applicable airworthiness requirements, a copy of the Airplane Flight Manual as approved by the DACR, shall be transmitted with the request. Upon receipt of a proper request and the required documents, the Administrator will issue and forward to the manufacturer a type certificate for the airplane.

(b) Under these delegation option procedures, the manufacturer may change the type design for airplanes for which he holds a type certificate, when the DACR finds that the changes comply with the applicable airworthiness requirements. If such changes would alter the information in the Aircraft Specification or Airplane Flight Manual, the manufacturer shall promptly submit proposed Aircraft Specification revisions or Airplane Flight Manual revisions to the CAA.

(1) The DACR shall furnish a statement to the CAA, briefly describing any changes to the type design and listing the particular airworthiness requirements of this title which the DACR considers applicable, whenever:

(i) A change in the type design appreciably changes the external configuration, maximum weight, or type of engine installed in the airplane, or

(ii) The manufacturer desires certification of the type design under airworthiness requirements other than those applicable in the original issuance of the type certificate. Upon receiving such a statement, the CAA will notify the DACR that the Administrator finds such requirements, or other specified requirements applicable.

(c) In determining compliance with the applicable airworthiness requirements, the DACR shall conduct a type inspection of the airplane, and complete a Type Inspection Report (Form ACA–283), or applicable portions thereof, which he shall sign and include in the manufacturer's technical data file.

(d) The manufacturer or the DACR may request the advice of the CAA concerning interpretation of the certification requirements in Parts 1, 3, 4a, and 8 of Chapter I of this title and Bulletin 7a of the Bureau of Air Commerce. Such requests and the replies thereto shall be made in writing and shall be recorded in the manufacturer's technical data file. The DACR shall request the advice of the CAA on any interpretation which requires application of the equivalent safety provisions contained in the certification requirements.

(e) The manufacturer shall prepare and maintain a technical data file for each airplane type under the delegation option procedure, in accordance with § 410.39 (a) (1).

§ 410.33 *Production certificates.* (a) When a manufacturer desires to list a new airplane model or a new type certificate on his production certificate, the DACR for such manufacturer shall, after finding that the manufacturer meets the production certificate requirements of Part 1 of Chapter I of this title with respect to the new model or type, submit a request therefor to the Administrator. This request shall be accompanied by:

(1) A statement of compliance containing the information prescribed in Appendix D to this part, and,

(2) A properly executed application for an amendment to the manufacturer's production certificate (Form ACA–332). Upon receipt of these documents the Administrator will add the new model designation and/or type certificate number to the production certificate and forward to the manufacturer an amended production limitation record.

(b) In determining that the manufacturer meets the applicable production certificate requirements, the DACR shall, for each new model or type added to the production certificate under the delegation option, conduct an inspection of the manufacturer's organization, facilities, methods, and procedures for manufacturing and controlling the quality and conformity of airplanes of that type, and shall complete and sign a Manufacturing Inspection Report (Form ACA–314) for inclusion in the manufacturer's records.

(c) At least once each year while the manufacturer holds a delegation option authorization, the DACR shall conduct an inspection of the manufacturer's facilities, methods, and procedures and shall complete and sign a copy of Form ACA–314 for inclusion in the manufacturer's records.

(d) The manufacturer shall prepare reports covering changes in organization and procedures and special processes, as required by the production certificate requirements of Part 1 of Chapter I of this title. He shall include such reports, and inspection records for each airplane produced under the delegation option, in his records as specified in § 410.39 (a) (2).

§ 410.34 *Airworthiness certificates.* (a) A DACR may issue an airworthiness certificate for an airplane manufactured under the delegation option when he finds, on the basis of the inspections and production flight check required under the production certificate requirements, that the airplane conforms to a type design for which the manufacturer holds a type certificate and is in a condition for safe operation.

(b) The DACR may authorize other employees of the manufacturer to sign such airworthiness certificates for him, over his name and designee number: *Provided,* That:

(1) Such employees perform or are in direct charge of the inspections specified in (a), and

(2) Such employees have been listed on the manufacturer's application to use the delegation option procedures (See Appendix A to this part), or on amendments thereto.

§ 410.35 *Certificates of airworthiness for export.* A certificate of airworthiness for export may be issued on the same basis as an airworthiness certificate, as specified in § 410.34.

§ 410.36 *Service difficulties and noncompliance.* Service difficulties and questions of compliance on airplanes produced under the delegation option will be handled as follows:

(a) *Routine reports.* The CAA will collect information on service difficulties in accordance with standard procedures. Where service difficulties are deemed of sufficient importance, the CAA will forward copies of the reports to the aircraft manufacturer for his information and any action he deems appropriate. The CAA will not request replies or action on such reports, except as indicated in paragraph (b) of this section.

(b) *Serious defects.* If accident or service difficulty reports indicate unsafe features or characteristics in an airplane caused by defects in design or manufacture, the CAA will transmit such reports to the manufacturer with a request that it be informed of the results of his investigation and of the action, if any, taken or proposed by him (e. g. service bulletins design changes, etc.). If the nature of the defect is of such importance that mandatory corrective action by airplane operators is necessary for safety, the CAA will require the manufacturer to submit the information necessary for the issuance of an Airworthi-

ness Directive in accordance with the standard procedures.

(c) *Investigation of airplane or manufacturing facilities.* The manufacturer shall, upon request, permit the CAA to inspect and test his airplane, and investigate his technical data files and manufacturing facilities when reports indicate that a serious defect exists, and when the CAA finds that:

(1) The manufacturer's investigation and action are deemed inadequate to correct the unsafe condition, or

(2) There is substantial evidence that airplanes of the type may not, in fact, comply with the applicable airworthiness requirements. Prior to conducting such an investigation, the CAA will communicate with the manufacturer, citing the evidence in the case and, time permitting, will request the manufacturer to submit comments and any additional pertinent information. After the manufacturer's reply has been received, all pertinent facts and evidence will be referred to the CAA, Aircraft Division, Washington Office, for review, and the decision on whether or not to proceed with the investigation, and its nature and scope, will be made by that office.

(d) *Non-compliance.* When investigation is made by the CAA, and the findings indicate that a serious safety hazard exists because of the manufacturer's failure to comply in important respects with Parts 1, 3, 4a, or 8 of Chapter I of this title, the CAA will take such action as is deemed necessary to require correction of the defect in existing airplanes and to assure compliance in airplanes subsequently produced.

(e) *Revocation of delegation option authorization.* If the number or importance of established cases of noncompliance warrants, the CAA may request the manufacturer to show cause why his privileges under the delegation option procedures should not be withdrawn. After proper hearing, these privileges may be withdrawn until the manufacturer re-establishes his eligibility to the satisfaction of the Administrator.

(f) *Suspension and revocation of certificates.* Any action against type or production certificates held by the manufacturer will be processed in accordance with the standard procedures. (See § 408.26 of this chapter.)

§ 410.37 *Maintenance, repair, and alteration of aircraft.* Airplanes manufactured under the delegation option procedures shall be maintained, repaired, and altered in accordance with Part 18 of Chapter I of this title, and the following provisions:

(a) *Approval of major repairs and alterations performed by the manufacturer.* For airplanes of types included under the manufacturer's delegation option authorization:

(1) The DACR may, after finding that the major repair or alteration complies with the applicable requirements, approve such repair or alteration under the provisions of § 18.11 of Chapter I of this title.

(2) A completed Repair and Alteration Form (Form ACA-337) shall be furnished to the airplane owner and a copy forwarded to the nearest CAA District Office as specified on the reverse side of the form. However, any technical data prepared in accordance with §§ 18.16-2, 18.16-4, 18.16-5 and 18.16-6, of Chapter I of this title, need not be submitted with Form ACA-337, but shall instead be included in the manufacturer's records. The Form ACA-337 shall contain a description of the repair or alteration and a statement that it was accomplished under the delegation option procedures.

(3) The DACR may authorize other employees of the manufacturer to execute and sign Forms ACA-337 and make required logbook entries over his name and designee number: *Provided,* That:

(i) Such employees perform or are in direct charge of inspecting the repair or alteration, and

(ii) They have been listed on the manufacturer's application for the delegation option (See Appendix A to this part), or on amendments thereto.

(b) *Approval of major repairs and alterations performed by agencies other than the manufacturer.* The CAA will consider all major repairs and alterations submitted to it for approval under the provisions of § 18.11 of Chapter I of this title; however, where reference to the original configuration of the airplane and to available technical data does not provide an adequate basis for determining compliance with applicable airworthiness requirements, the CAA will advise the repair agency either to:

(1) Obtain the necessary technical data or advice from the airplane manufacturer, or

(2) Conduct the technical investigations and tests necessary to demonstrate compliance with the applicable airworthiness requirements.

§ 410.38 *Annual inspections.* (a) For airplane types included under the manufacturer's delegation option authorization, the DACR may act as a representative of the Administrator in conducting the annual inspection prescribed by Part 1 of Chapter I of this title and in executing the prescribed forms and making the required logbook entries. He may also approve the airplane for return to service after finding that it is in airworthy condition and complies with the applicable Aircraft Specification and Airworthiness Directives.

(b) The DACR may authorize other employees of the manufacturer to perform the functions specified in paragraph (a) of this section and to sign the specified documents over his name and designee number: *Provided,* That:

(1) Such employees perform or are in direct charge of the inspection, and

(2) They have been listed on the manufacturer's application for the delegation option (See Appendix A to this part), or on amendments thereto.

§ 410.39 *Data and records.* (a) A manufacturer shall maintain at his factory, for all aircraft certificated under the delegation option procedures, current records containing the following:

(1) A technical data file for each type aircraft. This data shall include the type design drawings, specifications and reports on tests prescribed by Part 1, 3, 4a, or 8 of Chapter I of this title, the original type inspection report (Form ACA-283), and amendments thereto.

(2) A complete inspection record for each airplane produced according to serial number, data covering the processes and tests to which materials and parts are subjected, the report required to be submitted with the original application for the production certificate and amendments thereto, and the factory inspection reports specified in § 410.33 (b) and (c).

(3) A record of all major repairs and alterations performed under the delegation option procedure.

(b) The records and data specified in paragraph (a) of this section shall be:

(1) Upon request, made available for examination by authorized employees of the Administrator,

(2) Identified and reserved for transfer to the CAA in the event the manufacturer goes out of business.

APPENDIX A—INFORMATION REQUIRED IN APPLICATION FOR DELEGATION OPTION AUTHORIZATION

_____, hereby
(Name of manufacturer)
makes application for authorization to use the delegation option procedure for the type, production, and airworthiness certification of airplanes under the provisions of Part 410 of the Regulations of the Administrator of Civil Aeronautics, and requests that the following individual, who holds a responsible position with this company in respect to the design and manufacture of airplanes to be produced under the delegation option, be appointed as a CAA Designated Aircraft Certification Representative:

_____ _____
(Name) (Title)

If authorization to use the delegation option is granted, the following individuals will be authorized to sign airworthiness certificates, repair and alteration forms, and annual inspection forms for the Designated Aircraft Certification Representative:

_____ _____
(Name) (Title)

_____ _____

This company holds the following currently effective type and production certicates obtained under the standard certification procedures:

Model	*Type Certificate No.*	*Production Certificate No.*

Signed _____ Title _____

Date _____

APPENDIX B—SAMPLE AUTHORIZATION TO USE THE DELEGATION OPTION PROCEDURE

_____
(Addressed to manufacturer)

In consideration of an application made on _____,
(Date)
_____ has been
(Name of manufacturer)
found eligible and is hereby authorized to use the delegation option procedure for the type, production, and airworthiness certification of airplanes in accordance with the provisions of Part 410 of the Regulations of the Administrator of Civil Aeronautics.

_____ is hereby appointed a Designated Aircraft Certification Representative of the Civil Aeronautics Administration, and is issued a Certificate of Authority, Number _____.

APPENDIX C—INFORMATION REQUIRED IN STATEMENT OF COMPLIANCE AND REQUEST FOR ISSUANCE OF A TYPE CERTIFICATE

The undersigned hereby certifies that ----------, designed
(Airplane model designation)
and manufactured by ----------, complies with the applicable airworthiness requirements listed below and all mandatory CAA rules published thereunder, and requests the issuance of a type certificate for this model under the delegation option authorization issued to the manufacturer on ----------.
(Date)
Applicable requirements: CAR ----------, in effect on ----------.
CAR amendments -------, effective ------, ----------.
The required technical data and type inspection report dated ---------- have been completed and included in the technical data file for this model.

The following documents are transmitted herewith:
Proposed Aircraft Specification.
Airplane Flight Manual (if applicable).
Signed ----------
DACR No. ----------
Date ----------

APPENDIX D—INFORMATION REQUIRED IN STATEMENT OF COMPLIANCE AND REQUEST FOR ISSUANCE OF AN AMENDED PRODUCTION CERTIFICATE

The undersigned hereby certifies that ----------
(Name of manufacturer)
meets the applicable production certificate requirements with respect to ----------
(Airplane manufactured
---------- model designation)
under type certificate No. --------, and requests the addition of this model and type certificate No. -------- to production certification No. ----------
(Production certificate held by the manufacturer) under the delegation option authorization issued to the manufacturer on ----------.
(Date)
The required data on procedures, methods, and processes, and the factory inspection report, dated ----------, for this model have been completed and included in the manufacturer's records.
An Application for Production Certificate is transmitted herewith.
Signed ----------
DACR No. ----------
Date ----------

[SEAL] F. B. LEE,
Acting Administrator of Civil Aeronautics.

[F. R. Doc. 51-4796; Filed, Apr. 25, 1951; 8:45 a. m.]

NOTICES

CIVIL AERONAUTICS BOARD

[Docket No. 4597]

ALL AMERICAN AIRWAYS, INC.; SCRANTON/WILKES-BARRE-HARRISBURG SERVICE

NOTICE OF HEARING

In the matter of the application of All American Airways, Inc., for amendment of its certificate of public convenience and necessity for route No. 97 to establish a route segment between Scranton/Wilkes-Barre and Harrisburg, via Hazelton, Pennsylvania.

Notice is hereby given, pursuant to the Civil Aeronautics Act of 1938, as amended, particularly sections 401 and 1001 of said act, that the above-entitled proceeding is assigned for hearing on Monday, May 7, 1951, at 10:00 a. m., in Room E-210, Temporary Building, No. 5, Sixteenth Street and Constitution Avenue NW., Washington, D. C., before Examiner Ralph L. Wiser.

Without limiting the scope of the issues involved in this proceeding, particular attention will be directed to a determination as to whether the public convenience and necessity require that the Board grant all or part of the application of All American Airways, Inc., herein, for amendment of its certificate for route No. 97 so as to establish a route segment between Scranton-Wilkes-Barre and Harrisburg, via Hazleton, Pennsylvania, and whether All American Airways, Inc., is fit, willing, and able to provide the transportation it proposes and to conform to the provisions of the Civil Aeronautics Act of 1938, as amended, and the rules, regulations, and requirements of the Board thereunder.

Notice is hereby given that any person, other than the parties of record, desiring to be heard in this proceeding shall file with the Board on or before May 7, 1951, a statement setting forth the issues of fact or law raised by said application which he desires to controvert.

For further details of the service proposed for authorization, interested parties are referred to the application on file with the Civil Aeronautics Board.

Dated at Washington, D. C., April 20, 1951.

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 51-4812; Filed, Apr. 25, 1951; 8:49 a. m.]

ECONOMIC STABILIZATION AGENCY

Office of Price Stabilization

DELEGATIONS OF AUTHORITY

Consonant with the provisions of section 3 (a) (1) of the Administrative Procedure Act (60 Stat. 238; 5 U. S. C. 1002), Administrative Order Nos. 1, 4, 11, and 22, as revised and supplemented, are hereby redesignated and reissued as Delegation of Authority Nos. 1, 2, 3, and 4, respectively.

All regulations, orders, interpretations, and other pricing and enforcement actions authorized by Economic Stabilization General Orders 2 and 5 and previously issued or taken by any delegatee or subdelegatee under the foregoing Administrative Orders, are hereby confirmed and ratified.

MICHAEL V. DISALLE,
Director of Price Stabilization.

APRIL 24, 1951.

[Delegation of Authority 1]

ASSISTANT DIRECTOR FOR MANAGEMENT

DELEGATION OF AUTHORITY WITH RESPECT TO BUDGET, PERSONNEL, MANAGEMENT, ORGANIZATION, AND GENERAL ADMINISTRATION

1. Pursuant to the authority vested in me as Director of the Office of Price Stabilization, by General Order No. 2 of the Economic Stabilization, I hereby establish the position of Assistant Director for Management, and delegate to it full authority to discharge the responsibilities vested in me on all matters concerning the budget, personnel, management, organization, and general administration of the Office of Price Stabilization.

2. The Assistant Director for Management is authorized to redelegate any of the authorities vested in him by this delegation to the extent that he deems advisable in the interest of efficient operation of the Office of Price Stabilization.

MICHAEL V. DISALLE,
Director of Price Stabilization.

JANUARY 27, 1951.

[Delegation of Authority 2]

ASSISTANT DIRECTOR FOR PRICE OPERATIONS AND CHIEF COUNSEL OR ACTING CHIEF COUNSEL

DELEGATION OF AUTHORITY TO ACT AS DIRECTOR OF PRICE STABILIZATION

By virtue of the authority vested in me as the Director of Price Stabilization pursuant to Executive Order 10161 of September 9, 1950 (15 F. R. 6105) and Economic Stabilization Agency General Orders No. 2 (16 F. R. 738), and No. 5 (16 F. R. 1273), this delegation of authority is hereby issued.

1. Whenever the Director of Price Stabilization is absent from the City of Washington, D. C., the functions delegated to him by General Orders No. 2 and No. 5 of the Economic Stabilization Agency are hereby further delegated to the Assistant Director for Price Operations, Office of Price Stabilization, and shall be exercised by him as Acting Director of Price Stabilization.

2. Whenever the Director of Price Stabilization and the Assistant Director for Price Operations, Office of Price Stabilization, are absent from the City of Washington, D. C., the functions delegated to the Director of Price Stabilization by General Orders No. 2 and No. 5 of the Economic Stabilization Agency are hereby further delegated to the Chief Counsel or Acting Chief Counsel, Office

of Price Stabilization, and shall be exercised by him as Acting Director of Price Stabilization.

MICHAEL V. DISALLE,
Director of Price Stabilization.

FEBRUARY 15, 1951.

[Delegation of Authority 3]

CHIEF COUNSEL

DELEGATION OF AUTHORITY TO ISSUE OFFICIAL INTERPRETATIONS

By virtue of the authority vested in me as the Director of Price Stabilization, pursuant to the Defense Production Act of 1950 and Executive Order 10161 (15 F. R. 6105), and by Economic Stabilization Agency General Orders No. 2 (16 F. R. 738) and No. 5 (16 F. R. 1273), Administrative Order No. 11 (16 F. R. 1583) is hereby redesignated as Delegation of Authority No. 3 and revised to read as follows.

1. Authority is hereby delegated to the Chief Counsel or Acting Chief Counsel of the Office of Price Stabilization to issue interpretations of regulations or orders relating to price controls or to allocations with the same force and effect as if issued by the Director of Price Stabilization.

2. The authority herein delegated may be redelegated to any attorney of the Office of the Chief Counsel or Acting Chief Counsel, or to any Regional Counsel or Acting Regional Counsel, or to any District Counsel or Acting District Counsel, to the extent that the Chief Counsel or Acting Chief Counsel may deem expedient.

3. This delegation of authority shall take effect immediately.

MICHAEL V. DISALLE,
Director of Price Stabilization.

APRIL 24, 1951.

[Delegation of Authority 4]

ASSISTANT DIRECTOR OF PRICE STABILIZATION FOR ENFORCEMENT (DIRECTOR OF ENFORCEMENT)

DELEGATION OF AUTHORITY WITH RESPECT TO ENFORCEMENT FUNCTIONS

By virtue of the authority vested in me as the Director of Price Stabilization pursuant to Executive Order No. 10161 (15 F. R. 6105), Economic Stabilization Agency General Order No. 2 (16 F. R. 738), and Economic Stabilization Agency General Order No. 5 (16 F. R. 1273), and in order to further define the internal organization of the Office of Price Stabilization, particularly the duties, powers, and authority of the Assistant Director of Price Stabilization for Enforcement (Director of Enforcement), this delegation is hereby issued.

1. Effective March 12, 1951, those functions relating to the enforcement of price stabilization which were delegated to the Director of Price Stabilization by Economic Stabilization Order No. 2 (16 F. R. 738), are hereby redelegated to the Assistant Director of Price Stabilization for Enforcement (Director of Enforcement), who shall have the authority to make and authorize successive redelegations.

2. Effective March 15, 1951, those functions relating to the signing and issuance of Subpenas; Subpenas Duces Tecum; Inspection Authorizations; and, letters requesting inspection and interviews relating to investigations, are hereby redelegated to the Assistant Director of Price Stabilization for Enforcement (Director of Enforcement), who shall have the authority to make and authorize successive redelegations.

3. Effective March 16, 1951, those functions relating to the enforcement of price stabilization which were delegated to the Director of Price Stabilization by Economic Stabilization General Order No. 5 (16 F. R. 1273) with respect to the allocation of meat, are hereby redelegated to the Assistant Director of Price Stabilization for Enforcement (Director of Enforcement), who shall have the authority to make and authorize successive redelegations.

4. All functions delegated pursuant to this order shall be performed by the Assistant Director of Price Stabilization for Enforcement (Director of Enforcement) subject to such general supervision, direction and control as the Director of Price Stabilization deems expedient.

Issued this 12th day of March 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

[Delegation of Authority No. 4, Supplement 1]

REGIONAL AND DISTRICT ENFORCEMENT DIRECTORS

REDELEGATION OF AUTHORITY WITH RESPECT TO ENFORCEMENT FUNCTIONS

By virtue of the authority vested in me as Assistant Director of Price Stabilization for Enforcement (Director of Enforcement), pursuant to Delegation of Authority No. 4, Executive Order No. 10161 (15 F. R. 6105), Economic Stabilization Agency General Order No. 2 (16 F. R. 738), and Economic Stabilization Agency General Order No. 5 (16 F. R. 1273), and in order to further define the internal organization of the Office of Price Stabilization, particularly the enforcement functions of the several Regional Enforcement Directors and District Enforcement Directors, this delegation is hereby issued.

1. Effective March 13, 1951, those functions relating to the enforcement of price stabilization which were delegated to the Assistant Director of Price Stabilization for Enforcement (Director of Enforcement) by Delegation of Authority No. 4 are hereby redelegated to the several Regional Enforcement Directors and District Enforcement Directors subject to such rules, regulations and orders as may hereafter be issued by the Assistant Director of Price Stabilization for Enforcement (Director of Enforcement), and further subject to such general supervision, direction and control as the Assistant Director of Price Stabilization for Enforcement (Director of Enforcement) deems necessary and expedient.

2. Effective March 17, 1951, in connection with any investigation or proceeding conducted by the Office of Price Stabilization relating to the administration or enforcement of the Defense Production Act of 1950, or any regulation or order issued thereunder by the Office of Price Stabilization, the several Regional Enforcement Directors and District Enforcement Directors of the Office of Price Stabilization are each authorized within their respective regions or districts to sign and issue subpenas requiring any person to appear and testify or to appear and produce documents, or both, at any designated place.

3. Effective March 17, 1951, in connection with any investigation or proceeding conducted by the Office of Price Stabilization relating to the administration or enforcement of the Defense Production Act of 1950, or any regulation or order issued thereunder, the several Regional Enforcement Directors and District Enforcement Directors of the Office of Price Stabilization are each authorized within their respective regions or districts to sign and issue Inspection Authorizations requiring any person to permit a duly authorized representative of the Office of Price Stabilization to inspect books, records and other writings in the possession or control of said person at the place where such person usually keeps them; and to inspect the premises or property of said person.

4. Effective March 17, 1951, in connection with investigations, inspections or inquiries necessary to the enforcement or administration of the Defense Production Act of 1950, or regulations or orders promulgated thereunder by the Office of Price Stabilization, the several Regional Enforcement Directors and District Enforcement Directors are hereby authorized to use letters requesting the inspection of books, documents and records and the inspection of premises or property. Such request letters will be utilized only after the scope and purpose of the investigation, inspection or inquiry to be made have been defined by the Regional Enforcement Director or District Enforcement Director who have jurisdiction over such investigation, inspection or inquiry, and it is assured that adequate and authoritative data thus sought to be obtained are not available from any Federal or other responsible agency.

5. The terms herein shall have the same meaning as in the Defense Production Act of 1950.

Issued this 13th day of March 1951.

E. P. MORGAN,
Assistant Director of Price Stabilization for Enforcement (Director of Enforcement).

[F. R. Doc. 51-4868; Filed, Apr. 24, 1951; 4:05 p. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 2]

J. H. BONCK CO., INC.

CEILING PRICES AT RETAIL

Statement of considerations. In accordance with section 43 of Ceiling Price Regulation 7, the applicant named in the accompanying special order, J. H. Bonck Company, Inc., has applied to the Office of Price Stabilization for maxi-

mum resale prices for retail sales of certain of its articles. Applicant has submitted the information required under this section and has produced evidence which in the judgment of the Director indicates that the applicant has complied with other stated requirements.

The Director has determined on the basis of information available to him, including the data submitted by the applicant, that the retail ceiling prices requested and which are established by this special order are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

The special order contains provisions requiring each article to be marked by the applicant with the retail ceiling price established by the accompanying special order. The applicant is required to send purchasers of the articles a copy of this special order and, in specified cases, of subsequent amendments of this special order.

The special order also requires applicant to file with the Distribution Price Branch regular reports setting forth the number of units of each article covered by this special order which applicant has delivered during that period. This requirement conforms with the provisions of section 43, Ceiling Price Regulation 7.

Special provisions. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, this Special Order 2 is hereby issued.

1. The following ceiling prices are established for sales after the effective date of this special order by any seller at retail of men's and boys' sportshirts manufactured by J. H. Bonck Company, Inc., 1100 South Jefferson Davis Parkway, New Orleans, Louisiana, having the brand name "Tulane Sportshirts" and described in the manufacturer's application dated March 2, 1951. The manufacturer's prices listed below are subject to a discount of 2/10 net 30.

MEN'S AND BOYS' SPORTSHIRTS

Manufacturer's selling price (per dozen)	*Ceiling price at retail (per unit)*
$15.75	$1.95
19.50	2.65
22.50	2.95
27.00	3.65
28.50	3.95
34.50	4.95

2. (a) The manufacturer's sportshirts having the model numbers 1050 through 1064, described in the manufacturer's application dated March 2, 1951, so long as they have a manufacturer's selling price of $21.00 per dozen shall have a ceiling price at retail of $2.95 per unit.

(b) The manufacturer's sportshirts having the model numbers 1150 through 1164, described in the manufacturer's application dated March 2, 1951, so long as they have a manufacturer's selling price of $18.00 per dozen shall have a ceiling price at retail of $2.65 per unit.

3. The retail ceiling price of an article stated in paragraph 1 of this special order shall apply to any other article of the same type which is otherwise priceable under Ceiling Price Regulation 7 by retailers subject to that regulation, having the same selling price to the retailer, the same brand or company name and first sold by the manufacturer after the effective date of this special order.

4. On and after May 26, 1951, J. H. Bonck Company, Inc., must mark each article listed in paragraphs 1, 2(a), and (b) of this special order with the retail ceiling price under this special order, or attach to the article a label, tag or ticket stating the retail ceiling price. This mark or statement must be in the following form:

OPS—Sec 43—CPR 7
Price $_____

On and after June 25, 1951, no retailer may offer or sell the article unless it is marked or tagged in the form stated above.

Upon issuance of any amendment to this special order which either adds an article to those already listed in paragraphs 1, 2 (a), and (b) of this special order or changes the retail ceiling price of a listed article, J. H. Bonck Company, Inc., must comply, as to each such article, with the preticketing requirements of this paragraph within 30 days after the effective date of the amendment. After 60 days from the effective date, no retailer may offer or sell the article unless it is ticketed in accordance with the requirements of this paragraph. Prior to the expiration of the 60-day period, unless the article is so ticketed, the retailer shall comply with the marking, tagging and posting provisions of the regulation which would apply in the absence of this special order.

5. Within 15 days after the effective date of this special order, the manufacturer shall send a copy of this special order to each purchaser for resale to whom, within two months immediately prior to the effective date, the manufacturer had delivered any article covered in paragraphs 1, 2 (a), and (b) of this special order. Copies shall be sent to all other purchasers on or before the date of the first delivery of any such article subsequent to the effective date of the special order, and shall be accompanied by copies of each amendment thereto (if any) issued prior to the date of the delivery. Within 15 days after the effective date of any subsequent amendment to the special order, the manufacturer shall send a copy of the amendment to each purchaser to whom, within two months immediately prior to the effective date of such amendment, the seller had delivered any article the sale of which is affected in any manner by the amendment.

6. Within 45 days of the expiration of the first 6 months period following the effective date of this special order and within 45 days of the expiration of each successive 6 months period, the manufacturer shall file with the Distribution Price Branch, Office of Price Stabilization, Washington 25, D. C., a report setting forth the number of units of each article covered by this special order which he has delivered in that 6 months period.

7. The provisions of this special order establish the ceiling price for sales at retail of the articles covered by it regardless of whether the seller is otherwise subject to Ceiling Price Regulation 7 or any other regulation.

8. This special order or any provision thereof may be revoked, suspended, or amended by the Director of Price Stabilization at any time.

Effective date. This special order shall become effective April 26, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

APRIL 25, 1951.

[F. R. Doc. 51-4875; Filed, Apr. 25, 1951; 8:48 a. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 3]

FAMOUS-STERNBERG, INC.

CEILING PRICES AT RETAIL

Statement of considerations. In accordance with section 43 of Ceiling Price Regulation 7, the applicant named in the accompanying special order, Famous-Sternberg, Inc., has applied to the Office of Price Stabilization for maximum resale prices for retail sales of certain of its articles. Applicant has submitted the information required under this section and has produced evidence which in the judgment of the Director indicates that the applicant has complied with other stated requirements.

The Director has determined on the basis of information available to him, including the data submitted by the applicant, that the retail ceiling prices requested and which are established by this special order are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

The special order contains provisions requiring each article to be marked by the applicant with the retail ceiling price established by the accompanying order. The applicant is required to send purchasers of the articles a copy of this special order and, in specified cases, of subsequent amendments of this special order. The special order also requires applicant to file with the Distribution Price Branch regular reports setting forth the number of units of each article covered by this special order which applicant has delivered during that period. This requirement conforms with the provisions of section 43, Ceiling Price Regulation 7.

Special provisions. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, this Special Order 3 is hereby issued.

1. The following ceiling prices are established for sales after the effective date of this special order by any seller at retail of men's clothing manufactured by Famous-Sternberg, Inc., 950 Poeyfarre Street, New Orleans 5, Louisiana, having the brand names "Mirror Test", "Lordly", and "McNair" and described in the manufacturer's application dated March 1, 1951. The manufacturer's prices listed below are subject to a discount of 2/10 EOM, Net 60.

MEN'S CLOTHING

Manufacturer's selling price (per unit)	*Ceiling price at retail (per unit)*
$4.25	$7.00
4.75	7.95
5.45	8.95
5.95	9.95
11.10	18.50
12.25	20.50
13.50	23.50
14.75	24.75
15.90	26.50
19.50	32.50
21.00	35.00

2. The manufacturer's two-piece suit bearing the style name "McNair" and described in the manufacturer's application dated March 1, 1951, so long as it has a manufacturer's selling price of $18.25 per unit shall have a ceiling price at retail of $32.50 per unit.

3. The retail ceiling price of an article stated in paragraph 1 of this special order shall apply to any other article of the same type which is otherwise priceable under Ceiling Price Regulation 7 by retailers subject to that regulation, having the same selling price to the retailer, the same brand or company name and first sold by the manufacturer after the effective date of this special order.

4. On and after May 26, 1951, Famous-Sternberg, Inc., must mark each article listed in paragraphs 1 and 2 of this special order with the retail ceiling price under this special order, or attach to the article a label, tag or ticket stating the retail ceiling price. This mark or statement must be in the following form:

OPS—Sec. 43—CPR 7
Price $--------

On and after June 25, 1951, no retailer may offer or sell the article unless it is marked or tagged in the form stated above.

Upon issuance of any amendment to this special order which either adds an article to those already listed in paragraphs 1 and 2 of this special order or changes the retail ceiling price of a listed article, Famous-Sternberg, Inc., must comply, as to each such article, with the preticketing requirements of this paragraph within 30 days after the effective date of the amendment. After 60 days from the effective date, no retailer may offer or sell the article unless it is ticketed in accordance with the requirements of this paragraph. Prior to the expiration of the 60-day period, unless the article is so ticketed, the retailer shall comply with the marking, tagging and posting provisions of the regulation which would apply in the absence of this special order.

5. Within 15 days after the effective date of this special order, the manufacturer shall send a copy of this special order to each purchaser for resale to whom, within two months immediately prior to the effective date, the manufacturer had delivered any article covered in paragraphs 1 and 2 of this special order. Copies shall be sent to all other purchasers on or before the date of the first delivery of any such article subsequent to the effective date of the special order, and shall be accompanied by copies of each amendment thereto (if any) issued prior to the date of the delivery. Within 15 days after the effective date of any subsequent amendment to the special order, the manufacturer shall send a copy of the amendment to each purchaser to whom, within two months immediately prior to the effective date of such amendment, the seller had delivered any article the sale of which is affected in any manner by the amendment.

6. Within 45 days of the expiration of the first 6 months period following the effective date of this special order and within 45 days of the expiration of each successive 6 months period, the manufacturer shall file with the Distribution Price Branch, Office of Price Stabilization, Washington 25, D. C., a report setting forth the number of units of each article covered by this special order which he has delivered in that 6 months period.

7. The provisions of this special order establish the ceiling price for sales at retail of the articles covered by it regardless of whether the seller is otherwise subject to Ceiling Price Regulation 7 or any other regulation.

8. This special order or any provision thereof may be revoked, suspended, or amended by the Director of Price Stabilization at any time.

9. The provisions of this special order are applicable to the United States and the District of Columbia.

Effective date. This special order shall become effective April 26, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

APRIL 25, 1951.

[F. R. Doc. 51-4876; Filed, Apr. 25, 1951; 8:49 a. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 4]

PALM BEACH CO.

CEILING PRICES AT RETAIL

Statement of considerations.—In accordance with section 43 of Ceiling Price Regulation 7, the applicant named in the accompanying special order, Palm Beach Company, has applied to the Office of Price Stabilization for maximum resale prices for retail sales of certain of its articles. Applicant has submitted the information required under this section and has produced evidence which in the judgment of the Director indicates that the applicant has complied with other stated requirements.

The Director has determined on the basis of information available to him, including the data submitted by the applicant, that the retail ceiling prices requested and which are established by this special order are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

The special order contains provisions requiring each article to be marked by the applicant with the retail ceiling price established by the accompanying special order. The applicant is required to send purchasers of the articles a copy of this special order and, in specified cases, of subsequent amendments of this special order.

The special order also requires applicant to file with the Distribution Price Branch regular reports setting forth the number of units of each article covered by this special order which applicant has delivered during that period. This requirement conforms with the provisions of section 43, Ceiling Price Regulation 7.

Special provisions. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, this Special Order 4 is hereby issued.

1. The following ceiling prices are established for sales after the effective date of this special order by any seller at retail of men's and boys' tailored clothing manufactured by the Palm Beach Company, Cincinnati 2, Ohio, having the brand names, "Palm Beach," "Lighterway," "Palm Springs," "Springweave," "Sunfrost," "Resortweave," and "Heathersheen" and described in the manufacturer's application dated March 7, 1951. The manufacturer's prices listed below are subject to a discount of 2/10 Net 30.

MEN'S AND BOYS' TAILORED CLOTHING

Manufacturer's selling price (per unit)	*Ceiling price at retail (per unit)*
$2.35	$3.95
3.00	4.95
4.15	6.95
4.65	7.75
4.75	7.95
5.35	8.95
5.95	9.95
6.30	10.50
7.15	11.95
7.75	12.95
8.35	13.95
8.95	14.95
9.30	15.50
10.15	16.95
10.75	17.95
11.95	19.95
12.90	21.50
13.50	22.50
14.10	23.50
14.70	24.50
15.30	25.50
16.50	27.50
16.75	27.95
17.70	29.50
17.95	29.95
18.90	31.50
19.50	32.50
19.75	32.95
20.95	34.95
21.90	36.50
22.45	37.45
23.95	39.95
26.95	44.95
28.15	46.95
29.70	49.50
32.95	54.95
33.00	55.00
39.85	66.45

2. The retail ceiling price of an article stated in paragraph 1 of this special order shall apply to any other article of the same type which is otherwise priceable under Ceiling Price Regulation 7 by retailers subject to that regulation, having the same selling price to the retailer, the same brand or company name and first sold by the manufacturer after the effective date of this special order.

3. On and after May 26, 1951, Palm Beach Company must mark each article listed in paragraph 1 of this special order with the retail ceiling price under

this special order, or attach to the article a label, tag or ticket stating the retail ceiling price. This mark or statement must be in the following form:

OPS—Sec. 43—CPR 7
Price $----------

On and after June 25, 1951, no retailer may offer or sell the article unless it is marked or tagged in the form stated above.

Upon issuance of any amendment to this special order which either adds an article to those already listed in paragraph 1 of this special order or changes the retail ceiling price of a listed article, Palm Beach Company must comply, as to each such article, with the preticketing requirements of this paragraph within 30 days after the effective date of the amendment. After 60 days from the effective date, no retailer may offer or sell the article unless it is ticketed in accordance with the requirements of this paragraph. Prior to the expiration of the 60-day period, unless the article is so ticketed, the retailer shall comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

4. Within 15 days after the effective date of this special order, the manufacturer shall send a copy of this special order to each purchaser for resale to whom, within two months immediately prior to the effective date, the manufacturer had delivered any article covered in paragraph 1 of this special order. Copies shall be sent to all other purchasers on or before the date of the first delivery of any such article subsequent to the effective date of the special order, and shall be accompanied by copies of each amendment thereto (if any) issued prior to the date of the delivery. Within 15 days after the effective date of any subsequent amendment to the special order, the manufacturer shall send a copy of the amendment to each purchaser to whom, within two months immediately prior to the effective date of such amendment, the seller had delivered any article the sale of which is affected in any manner by the amendment.

5. Within 45 days of the expiration of the first 6 months period following the effective date of this special order and within 45 days of the expiration of each successive 6 months period, the manufacturer shall file with the Distribution Price Branch, Office of Price Stabilization, Washington 25, D. C., a report setting forth the number of units of each article covered by this special order which he has delivered in that 6 months period.

6. The provisions of this special order established the ceiling price for sales at retail of the articles covered by it regardless of whether the seller is otherwise subject to Ceiling Price Regulation 7 or any other regulation.

7. This special order or any provision thereof may be revoked, suspended, or amended by the Director of Price Stabilization at any time.

8. The provisions of this special order are applicable to the United States and the District of Columbia.

Effective date. This special order shall become effective April 26, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

APRIL 25, 1951.

[F. R. Doc. 51-4877; Filed, Apr. 25, 1951; 8:49 a. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 5]

COOPERS, INC.

CEILING PRICES AT RETAIL

Statement of considerations. In accordance with section 43 of Ceiling Price Regulation 7, the applicant named in the accompanying special order, Coopers, Incorporated, has applied to the Office of Price Stabilization for maximum resale prices for retail sales of certain of its articles. Applicant has submitted the information required under this section and has produced evidence which in the judgment of the Director indicates that the applicant has complied with other stated requirements.

The Director has determined on the basis of information available to him, including the data submitted by the applicant, that the retail ceiling prices requested and which are established by this special order are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

The special order contains provisions requiring each article to be marked by the applicant with the retail ceiling price established by the accompanying special order. The applicant is required to send purchasers of the articles a copy of this special order and, in specified cases, of subsequent amendments of this special order.

The special order also requires applicant to file with the Distribution Price Branch regular reports setting forth the number of units of each article covered by this special order which applicant has delivered during that period. This requirement conforms with the provisions of section 43, Ceiling Price Regulation 7.

Special provisions. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, this Special Order 5 is hereby issued.

1. The following ceiling prices are established for sales after the effective date of this special order by any seller at retail of men's and boys' underwear manufactured by Coopers, Incorporated, Kenosha, Wisconsin, having the brand name "Jockey" and described in the manufacturer's application dated March 5, 1951. The manufacturer's prices listed below are subject to a discount of 2/10 EOM, Net 60.

MEN'S AND BOYS' UNDERWEAR

Manufacturer's selling price (per dozen)	*Ceiling price at retail (per unit)*
$5.25	$0.75
6.00	.85
6.50	.90
7.20	1.00
8.25	1.15

MEN'S AND BOYS' UNDERWEAR—Continued

Manufacturer's selling price (per dozen)	*Ceiling price at retail (per unit)*
$8.50	$1.20
10.00	1.40
10.50	1.50
11.00	1.55
11.50	1.60
12.00	1.75
13.00	1.85
14.00	1.95
14.25	2.00
16.00	2.25
16.50	2.35
17.50	2.50
19.00	2.65
21.00	2.95
24.50	3.50
27.00	3.75
28.00	3.95
31.00	4.50
36.00	5.00
39.50	5.50
42.00	5.95

2. (a) The manufacturer's men's and boys' shirts bearing the item number 8924 in the manufacturer's printed price list dated January 1951, so long as it has a manufacturer's selling price of $8.00 per dozen, shall have a ceiling price at retail of $1.15 per unit.

(b) The manufacturer's men's and boys' lowers, bearing the item number 1040 S in the manufacturer's printed price list dated January 1951, so long as it has a manufacturer's selling price of $11.50 per dozen, shall have a celing price at retail of $1.65 per unit.

(c) The manufacturer's men's and boys' lowers bearing the item numbers 1025 K and 1099 in the manufacturer's printed price list dated January 1951, so long as it has a manufacturer's selling price of $15.50 per dozen, shall have a ceiling price at retail of $2.25 per unit.

(d) The manufacturer's men's and boys' lowers bearing the item number 1051 M in the manufacturer's printed price list dated January 1951, so long as it has a manufacturer's selling price of $18.50 per dozen, shall have a ceiling price at retail of $2.65 per unit.

(e) The manufacturer's men's and boys' shirts bearing the item number 8929 L S in the manufacturer's printed price list dated January 1951, so long as it has a manufacturer's selling price of $39.00 per dozen, shall have a ceiling price at retail of $5.50 per unit.

3. The retail ceiling price of an article stated in paragraph 1 of this special order shall apply to any other article of the same type which is otherwise priceable under Ceiling Price Regulation 7 by retailers subject to that regulation, having the same selling price to the retailer, the same brand or company name and first sold by the manufacturer after the effective date of this special order.

4. On and after July 1, 1951, Coopers, Incorporated, must mark each article listed in paragraphs 1, 2 (a), 2 (b), 2 (c), 2 (d), and 2 (e) of this special order with the retail celing price under this special order, or attach to the article a label, tag or ticket stating the retail ceiling price. This mark or statement must be in the following form:

CPS—Sec. 43—CPR 7
Price $--------

On and after August 1, 1951, no retailer may offer or sell the article unless it is marked or tagged in the form stated above.

Upon issuance of any amendment to this special order which either adds an article to those already listed in paragraphs 1, 2 (a), 2 (b), 2 (c), 2 (d), and 2 (e) of this special order or changes the retail ceiling price of a listed article, Coopers, Incorporated, must comply, as to each such article, with the preticketing requirements of this paragraph within 30 days after the effective date of the amendment. After 60 days from the effective date, no retailer may offer or sell the article unless it is ticketed in accordance with the requirements of this paragraph. Prior to the expiration of the 60-day period, unless the article is so ticketed, the retailer shall comply with the marking, tagging and posting provisions of the regulation which would apply in the absence of this special order.

5. Within 15 days after the effective date of this special order, the manufacturer shall send a copy of this special order to each purchaser for resale to whom, within two months immediately prior to the effective date, the manufacturer had delivered any article covered in paragraphs 1, 2 (a), 2 (b), 2 (c), 2 (d), and 2 (e) of this special order. Copies shall be sent to all other purchasers on or before the date of the first delivery of any such article subsequent to the effective date of the special order, and shall be accompanied by copies of each amendment thereto (if any) issued prior to the date of the delivery. Within 15 days after the effective date of any subsequent amendment to the special order, the manufacturer shall send a copy of the amendment to each purchaser to whom, within two months immediately prior to the effective date of such amendment, the seller had delivered any article the sale of which is affected in any manner by the amendment.

6. Within 45 days of the expiration of the first 6 months period following the effective date of this special order and within 45 days of the expiration of each successive 6 months period, the manufacturer shall file with the Distribution Price Branch, Office of Price Stabilization, Washington 25, D. C., a report setting forth the number of units of each article covered by this special order which he has delivered in that 6 months period.

7. The provisions of this special order establish the ceiling price for sales at retail of the articles covered by it regardless of whether the seller is otherwise subject to Ceiling Price Regulation 7 or any other regulation.

8. This special order or any provision thereof may be revoked, suspended, or amended by the Director of Price Stabilization at any time.

9. The provisions of this special order are applicable to the United States and the District of Columbia.

Effective date. This special order shall become effective April 26, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

APRIL 25, 1951.

[F. R. Doc. 51-4878; Filed, Apr. 25, 1951; 8:49 a. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 6]

S. AUGSTEIN & CO., INC.

CEILING PRICES AT RETAIL

Statement of considerations. In accordance with section 43 of Ceiling Price Regulation 7, the applicant named in the accompanying special order, S. Augstein & Co., Inc., has applied to the Office of Price Stabilization for maximum resale prices for retail sales of certain of its articles. Applicant has submitted the information required under this section and has produced evidence which in the judgment of the Director indicates that the applicant has complied with other stated requirements.

The Director has determined on the basis of information available to him, including the data submitted by the applicant, that the retail ceiling prices requested and which are established by this special order are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

The special order contains provisions requiring each article to be marked by the applicant with the retail ceiling price established by the accompanying special order. The applicant is required to send purchasers of the articles a copy of this special order and, in specified cases, of subsequent amendments of this special order.

The special order also requires applicant to file with the Distribution Price Branch regular reports setting forth the number of units of each article covered by this special order which applicant has delivered during that period. This requirement conforms with the provisions of section 43, Ceiling Price Regulation 7.

Special provisions. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, this Special Order 6 is hereby issued.

1. The following ceiling prices are established for sales after the effective date of this special order by any seller at retail of men's suits, men's slacks, and men's shorts manufactured by S. Augstein & Co., Inc., 15-58 One Hundred Twenty-seventh Street, College Point, New York, having the brand name "Sacony" and described in the manufacturer's application dated March 16, 1951. The manufacturer's prices listed below are subject to a discount of 8/10 EOM.

MEN'S SUITS, SLACKS, AND SHORTS

Manufacturer's selling price (per unit)	*Ceiling price at retail (per unit)*
$3.00	$4.95
4.25	6.95
5.00	7.95
5.50	8.95
14.50	24.50
17.75	29.95

2. The retail ceiling price of an article stated in paragraph 1 of this special order shall apply to any other article of the same type which is otherwise priceable under Ceiling Price Regulation 7 by retailers subject to that regulation, having the same selling price to the retailer, the same brand or company name and first sold by the manufacturer after the effective date of this special order.

3. On and after May 26, 1951, S. Augstein & Co., Inc., must mark each article listed in paragraph 1 of this special order with the retail ceiling price under this special order, or attach to the article a label, tag or ticket stating the retail ceiling price. This mark or statement must be in the following form:

OPS—Sec. 43—CPR 7
Price $_____

On and after June 25, 1951, no retailer may offer or sell the article unless it is marked or tagged in the form stated above.

Upon issuance of any amendment to this special order which either adds an article to those already listed in paragraph 1 of this special order or changes the retail ceiling price of a listed article, S. Augstein & Co., Inc., must comply, as to each such article, with the preticketing requirements of this paragraph within 30 days after the effective date of the amendment. After 60 days from the effective date, no retailer may offer or sell the article unless it is ticketed in accordance with the requirements of this paragraph. Prior to the expiration of the 60-day period, unless the article is so ticketed, the retailer shall comply with the marking, tagging and posting provisions of the regulation which would apply in the absence of this special order.

4. Within 15 days after the effective date of this special order, the manufacturer shall send a copy of this special order to each purchaser for resale to whom, within two months immediately prior to the effective date, the manufacturer had delivered any article covered in paragraph 1 of this special order. Copies shall be sent to all other purchasers on or before the date of the first delivery of any such article subsequent to the effective date of the special order, and shall be accompanied by copies of each amendment thereto (if any) issued prior to the date of the delivery. Within 15 days after the effective date of any subsequent amendment to the special order, the manufacturer shall send a copy of the amendment to each purchaser to whom, within two months immediately prior to the effective date of such amendment, the seller had delivered any article the sale of which is affected in any manner by the amendment.

5. Within 45 days of the expiration of the first 6 months period following the effective date of this special order and within 45 days of the expiration of each successive 6-months period, the manufacturer shall file with the Distribution Price Branch, Office of Price Stabilization, Washington 25, D. C., a report setting forth the number of units of each article covered by this special order which he has delivered in that 6 months period.

6. The provisions of this special order establish the ceiling price for sales at retail of the artciles covered by it regardless of whether the seller is otherwise subject to Ceiling Price Regulation 7 or any other regulation.

7. This special order or any provision thereof may be revoked, suspended, or amended by the Director of Price Stabilization at any time.

8. The provisions of this special order are applicable to the United States and the District of Columbia.

Effective date. This special order shall become effective April 26, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

APRIL 25, 1951.

[F. R. Doc. 51-4879; Filed, Apr. 25, 1951; 8:49 a. m.]

FEDERAL POWER COMMISSION

[Docket No. G-1089]

TEXAS EASTERN TRANSMISSION CORP.

NOTICE OF ORDER WITH RESPECT TO ACCEPTANCE OF RATE SCHEDULES AND TERMINATION OF PROCEEDINGS

APRIL 23, 1951.

Notice is hereby given that, on April 20, 1951, the Federal Power Commission issued its order entered April 20, 1951, accepting rate schedules, effective as of May 1, 1951, and terminating proceedings in the above-designated matter.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 51-4802; Filed, Apr. 25, 1951; 8:47 a. m.]

[Docket No. G-1589]

CITIES SERVICE GAS CO.

ORDER FIXING DATE OF HEARING

APRIL 20, 1951.

On January 15, 1951, Cities Service Gas Company (Applicant), a Delaware corporation having its principal place of business at Oklahoma City, Oklahoma, filed an application, as supplemented on March 13, 1951, March 23, 1951 and April 9, 1951, for certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, as amended, authorizing the construction and operation of certain natural-gas transmission pipeline facilities, all as more fully described in such application, as supplemented, on file with the Commission and open to public inspection.

The Commission finds: This proceeding is a proper one for disposition under the provisions of § 1.32 (b) (18 CFR 1.32 (b)) of the Commission's rules of practice and procedure, Applicant having requested that its application be heard under the shortened procedure provided by the aforesaid rule for non-contested proceedings, and no request to be heard, protest or petition having been filed subsequent to the giving of due notice of the filing of the application, including publication in the FEDERAL REGISTER on January 30, 1951 (16 F. R. 868).

The Commission orders:

(A) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, as amended, a hearing be held on May 9, 1951, at 9:30 a. m. (e. d. s. t), in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C., concerning the matters involved and the issues presented by such application, as supplemented: *Provided, however,* That the Commission may, after a non-contested hearing, forthwith dispose of the proceeding pursuant to the provisions of § 1.32 (b) of the Commission's rules of practice and procedure.

(B) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the said rules of practice and procedure.

Date of issuance: April 23, 1951.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 51-4800; Filed, Apr. 25, 1951; 8:46 a. m.]

[Docket No. G-1590]

CITIES SERVICE GAS CO.

ORDER FIXING DATE OF HEARING

APRIL 20, 1951.

On January 15, 1951, Cities Service Gas Company (Applicant), a Delaware corporation having its principal place of business at Oklahoma City, Oklahoma, filed an application, as supplemented on March 12, 1951, and April 9, 1951, for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, as amended, authorizing the construction and operation of certain natural-gas transmission pipeline facilities, and for an order pursuant to section 7 of the Natural Gas Act, as amended, authorizing and approving the abandonment of certain natural-gas transmission pipeline facilities, all as more fully described in such application, as supplemented, on file with the Commission and open to public inspection.

The Commission finds: This proceeding is a proper one for disposition under the provisions of § 1.32 (b) (18 CFR 1.32 (b)) of the Commission's rules of practice and procedure. Applicant having requested that its application be heard under the shortened procedure provided by the aforesaid rule for noncontested proceedings, and no request to be heard, protest or petition having been filed subsequent to the giving of due notice of the filing of the application, including publication in the FEDERAL REGISTER on January 30, 1951 (16 F. R. 868).

The Commission orders:

(A) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, as amended, a hearing be held on May 9, 1951, at 9:45 a. m., (e. d. s. t.), in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C., concerning the matters involved and the issues presented by such application, as supplemented: *Provided, however,* That the Commission may, after a non-contested hearing, forthwith dispose of the proceeding pursuant to the provisions of § 1.32 (b) of the Commission's rules of practice and procedure.

(B) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the said rules of practice and procedure.

Date of issuance: April 23, 1951.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 51-4801; Filed, Apr. 25, 1951; 8:47 a. m.]

[Docket No. G-1664]

SOUTHWEST GAS CORP., LTD.

NOTICE OF APPLICATION

APRIL 20, 1951.

Take notice that on April 13, 1951, Southwest Gas Corporation, Ltd. (Applicant), a California corporation, of Barstow, California, filed an application for a certificate of public convenience and necessity pursuant to section 7 (c) of the Natural Gas Act, authorizing the construction and operation of approximately 1.5 miles of pipeline near Barstow, California, and approximately 26 miles of pipeline from Pacific Gas and Electric Company's line to Victorville, California.

Through the proposed facilities, Applicant will transport natural gas from Pacific Gas and Electric Company's lines to its distribution systems in the Barstow and Victorville areas. Applicant is presently supplying its customers with undiluted liquefied petroleum gas.

The estimated cost of the proposed facilities is $334,211. In addition, Applicant plans to extend its distribution system at a cost of $156,978. It has sold its bottled gas equipment for $56,000, and will finance the remaining cost by a loan of $400,000 and by the sale of capital stock.

Applicant requests that its application be heard under the shortened procedure pursuant to § 1.32 (b) of the rules of practice and procedure.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before the 11th day of May 1951. The application is on file with the Commission for public inspection.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 51-4803; Filed, Apr. 25, 1951; 8:47 a. m.]

[Docket No. G-1665]

MICHIGAN-WISCONSIN PIPE LINE CO.

NOTICE OF APPLICATION

APRIL 20, 1951.

Take notice that on April 16, 1951, Michigan-Wisconsin Pipe Line Company (Applicant), a Delaware corporation of Detroit, Michigan, filed an application for a certificate of public convenience and necessity pursuant to section 7 (c) of the Natural Gas Act, as amended, authorizing (1) the acquisition from Michi-

gan Gas and Electric Company (Michigan Gas) and the operation of an existing 6-inch lateral pipeline approximately 14.52 miles in length and an existing 6-inch lateral line approximately 8.9 miles in length extending from Applicant's 22-inch transmission line to Michigan Gas' Niles and Holland Divisions, respectively; (2) relocation of two sales measuring stations; and (3) the construction of two regulator stations.

The purchase price of the facilities to be acquired from Michigan Gas is estimated to be $387,000. It is estimated that the total cost of relocating the measuring stations will be $14,000, and of constructing the regulator station will be $5,000. All such proposed expenditures will be financed out of funds on hand.

Applicant requests that its application be heard under the shortened procedure pursuant to § 1.32 (b) of the rules of practice and procedure.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before the 11th day of May 1951. The application is on file with the Commission for public inspection.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 51-4804; Filed, Apr. 25, 1951; 8:47 a. m.]

FEDERAL TRADE COMMISSION

[File 21-439]

NATURAL, CULTURED, OR IMITATION PEARLS

NOTICE OF HOLDING OF TRADE PRACTICE CONFERENCE

Notice is hereby given that a trade practice conference will be held by the Federal Trade Commission on May 15, 1951, in the Waldorf-Astoria Hotel, New York City, commencing at 9 a. m., e. s. t. (10 a. m. d. s. t.) for the purpose of affording industry members engaged in the marketing of natural, cultured, or imitation pearls an opportunity to consider and propose for establishment, subject to the Commission's approval, trade practice rules designed to eliminate and prevent unfair competitive methods, unfair or deceptive acts or practices, and such discriminatory practices as are likewise violative of laws administered by the Commission.

Products of the industry for which trade practice rules are sought to be established are all kinds and types of pearls, cultured pearls, and imitation pearls, whether loose, strung, mounted, or affixed to another product. All persons, firms, corporations and organizations engaged in the importation, manufacture, processing or marketing of any such products are cordially invited to attend or send representatives to the conference and to participate therein.

The conference and further proceedings in the matter will be directed toward the eventual establishment and promulgation by the Commission of trade practice rules for the industry under which unfair methods of competition, unfair or deceptive acts or practices, and other trade abuses, may be eliminated and prevented.

Issued: April 23, 1951.

By direction of the Commission.

[SEAL] D. C. DANIEL, *Secretary.*

[F. R. Doc. 51-4827; Filed, Apr. 25, 1951; 8:53 a. m.]

GENERAL SERVICES ADMINISTRATION

SECRETARY OF DEFENSE

DELEGATION OF AUTHORITY WITH RESPECT TO APPLICATION OF CALIFORNIA ELECTRIC POWER COMPANY FOR INCREASE IN ELECTRIC RATES

1. Pursuant to the provisions of sections 201 (a) (4) and 205 (d) and (e) of the Federal Property and Administrative Services Act of 1949, Public Law 152, 81st Congress, authority to represent the interests of the executive agencies of the Federal Government and to appear as witnesses and counsel for the executive agencies of the Federal Government in the matter of Application No. 32188 of the California Electric Power Company before the Public Utilities Commission of the State of California is hereby delegated to the Secretary of Defense.

2. The Secretary of Defense is hereby authorized to redelegate any of the authority contained herein to any officer, official or employee of the Department of Defense.

3. The authority conferred herein shall be exercised in accordance with the policies, procedures and controls prescribed by the General Services Administration and shall further be exercised in cooperation with the responsible officers, officials and employees of such Administration.

4. This delegation of authority shall be effective as of the date hereof.

Dated: April 19, 1951.

JESS LARSON, *Administrator.*

[F. R. Doc. 51-4795; Filed, Apr. 25, 1951; 8:45 a. m.]

INTERSTATE COMMERCE COMMISSION

[4th Sec. Application 26026]

COMMODITY RATES BETWEEN POINTS IN CALIFORNIA

APPLICATION FOR RELIEF

APRIL 23, 1951.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: Pacific Southcoast Freight Bureau, for carriers parties to its tariff I. C. C. No. 1478 and other tariffs.

Commodities involved: Lumber, fuel oil, gasoline, automobiles, salt, and other commodities.

Between: Susanville and other points in California on the Southern Pacific Railway, located between Westwood and Herlong, on the one hand, and points in California, on the other.

Grounds for relief: Competition with rail carriers and to meet intrastate rates.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 51-4815; Filed, April 25, 1951; 8:49 a. m.]

[4th Sec. Application 26027]

COAL FROM VIRGINIA AND KENTUCKY TO CENTRAL TERRITORY

APPLICATION FOR RELIEF

APRIL 23, 1951.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: The Norfolk and Western Railway Company for itself and on behalf of other carriers named in the application.

Commodities involved: Coal and coal briquettes, carloads.

From: Southwest Virginia and Elkhorn City, Ky

To: Points in Illinois, Indiana, Michigan, New York, and Ohio.

Grounds for relief: Competition with rail carriers, market competition, and to maintain grouping.

Schedules filed containing proposed rates; N&W Ry. tariff I. C. C. No. 3214-B, Supp. 126.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary

before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 51-4816; Filed, Apr. 25, 1951; 8:50 a. m.]

CAUSTIC POTASH FROM CORPUS CHRISTI, TEX., TO KANSAS CITY, MO.-KANS.

APPLICATION FOR RELIEF

APRIL 23, 1951.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: D. Q. Marsh, Agent, for carriers parties to his tariff I. C. C. No. 3752.

Commodities involved: Caustic potash, carloads.

From: Corpus Christi, Tex.

To: Kansas City, Mo.-Kans.

Grounds for relief: Market competition.

Schedules filed containing proposed rates: D. Q. Marsh's tariff I. C. C. No. 3752, Supp. 566.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 51-4817; Filed, Apr. 25, 1951; 8:50 a. m.]

[4th Sec. Application 26029]

MOTOR-RAIL-MOTOR RATES BETWEEN CHICAGO, ILL. AND ST. PAUL, MINN.

APPLICATION FOR RELIEF

APRIL 23, 1951.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: Middlewest Motor Freight Bureau, Agent, for Chicago Great Western Railway Company and Watson Bros. Transportation Co., Inc.

Commodities involved: All commodities.

Between: Chicago, Ill., and St. Paul, Minn.

Grounds for relief: Competition with motor carriers.

Schedules filed containing proposed rates: Middlewest Motor Freight Bureau, Agent, tariff I. C. C. No. 22, Supp. 30.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 51-4818; Filed, Apr. 25, 1951; 8:50 a. m.]

[4th Sec. Application 26030]

FRESH MEATS AND PACKING HOUSE PRODUCTS FROM POINTS IN OKLA. AND TEX. TO LOUISIANA AND TEXAS

APPLICATION FOR RELIEF

APRIL 23, 1951.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: D. Q. Marsh, Agent, for carriers parties to his tariff I. C. C. No. 3588.

Commodities involved: Fresh meats and packing house products, carloads.

From: Oklahoma City, Okla., Dallas, Fort Worth, Greenville, and North Fort Worth, Tex.

To: Points in Louisiana and Texas.

Grounds for relief: Circuitous routes.

Schedules filed containing proposed rates: D. Q. Marsh's tariff I. C. C. No. 3588, Supp. 136.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 51-4819; Filed, Apr. 25, 1951; 8:50 a. m.]

[4th Sec. Application 26031]

GRAIN FROM KANSAS CITY, MO., TO LOUISIANA

APPLICATION FOR RELIEF

APRIL 23, 1951.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: D. Q. Marsh, Agent, for Gulf, Mobile and Ohio Railroad Company, St. Louis-San Francisco Railway Company and Texas and New Orleans Railroad Company.

Commodities involved: Grain and grain products, carloads.

From: Kansas City, Mo.

To: Points in Louisiana.

Grounds for relief: Circuitous routes.

Schedules filed containing proposed rates: D. Q. Marsh's tariff I. C. C. No. 3940, Supp. 6.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 51-4820; Filed, Apr. 25, 1951; 8:50 a. m.]

SECURITIES AND EXCHANGE COMMISSION

HAROLD C. STAYSA ET AL.

MEMORANDUM OPINION AND ORDER REVOKING REGISTRATIONS

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 20th day of April A. D. 1951.

In the matter of Harold C. Staysa, 1728 Rand Bldg., Buffalo, New York; Maxwell E. Tobin, d/b/a M. E. Tobin Company, 842 Bushwick Avenue, Brooklyn, New York; L. A. Van Patten, 465 West 57th Street, New York, New York; Robert S. Way, d/b/a Robert S. Way Company, 115 Broadway, New York, New

York; John D. Williams, 545 West 112th Street, New York, New York.

These are proceedings pursuant to section 15 (b) of the Securities Exchange Act of 1934 ("the act") to determine whether the registrants named above, each of whom is registered as broker and dealer or as a dealer only, willfully violated section 17 (a) of the act and Rule X-17A-5 thereunder and, if so, whether it is in the public interest to revoke their registrations.[1]

The proceedings were instituted by separate notices and orders for hearing issued on February 9 and 13, 1951. On those days copies of the notices and orders were sent by registered mail to the addresses last furnished us by the registrants. These registered notices were returned to us by the Post Office Department with notations indicating that the registrants could not be found at the addresses given.[2]

On November 28, 1942, we promulgated Rule X-17A-5 under section 17 (a) of the act, which provides, among other things, that every registered broker or dealer must file with this Commission a report of financial condition during each calendar year commencing with the year 1943. Promulgation of the rule was announced by publication in the FEDERAL REGISTER, by release to the press, and by distribution to persons on our mailing list.

The registrations of the registrants became effective prior to 1943, and have not been withdrawn, cancelled, revoked or suspended. Our records show that none of the registrants filed the required reports during any year from 1943 through 1949.

Upon review of the records in these proceedings we have concluded that each of the registrants violated section 17 (a) of the act and Rule X-17A-5 thereunder as a result of his failure to file such reports. We conclude also that such violations were willful within the meaning of section 15 (b).[3]

We conclude, on the basis of the foregoing, that it is necessary in the public interest to revoke the registration of each of the registrants. However, in view of the fact that our records do not show whether any of them actually received personal notice of the scheduled hearings, and to avoid any possible prejudice to them, our order will provide that the revocation of registrations be without prejudice to a motion on the part of any registrant to reopen the proceedings and to seek, upon a proper showing, to set aside the order of revocation applicable to said registrant.[4]

Accordingly it is ordered, That the registrations of Harold C. Staysa, Maxwell E. Tobin, doing business as M. E. Tobin Company, L. A. Van Patten, Robert S. Way, doing business as Robert S. Way Company, and John D. Williams be, and they hereby are, revoked without prejudice to a motion by any of the said registrants to reopen the record in the proceeding and, upon a proper showing, to set aside the order of revocation applicable to said registrant.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 51-4809; Filed, Apr. 25, 1951; 8:48 a. m.]

[File Nos. 4-33, 54-91, 59-21, 70-314, 70-315]

UNITED GAS CORP., ET AL.

SUPPLEMENTAL ORDER RELEASING JURISDICTION OVER LEGAL FEE AND EXPENSES

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 20th day of April A. D. 1951.

The Commission, on September 7, 1944, having issued its order approving the plan of reorganization of United Gas Corporation ("United") filed under section 11 (e) of the Public Utility Holding Company Act of 1935, said order reserving, among other things, jurisdiction with respect to the fees and expenses of such reorganization; and

The Commission having heretofore released jurisdiction with respect to the fees and expenses then shown in connection with said reorganization; and

United having now filed a supplemental application requesting that the Commission release jurisdiction with respect to the requested fee of the firm of White & Case of $1,750 and expenses in the amount of $60.24 for legal services rendered in connection with said plan of reorganization; and

The Commission having considered the record in the above matter and finding that the fee and expenses proposed to be paid are not unreasonable:

It is ordered, That jurisdiction heretofore reserved with respect to such fee and expenses be, and the same hereby is, released.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 51-4808; Filed, Apr. 25, 1951; 8:48 a. m.]

[File No. 70-2594]

OHIO EDISON CO.

ORDER GRANTING APPLICATION AND PERMITTING DECLARATION TO BECOME EFFECTIVE

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C., on the 18th day of April 1951.

Ohio Edison Company ("Ohio"), a registered holding company and a public utility company, having filed an application-declaration, with two amendments thereto, pursuant to the Public Utility Holding Company Act of 1935 ("act") and certain rules and regulations promulgated thereunder with respect to the following transactions:

Ohio proposes to issue and sell 150,000 shares of a new series of preferred stock, par value $100 per share, at competitive bidding pursuant to Rule U-50. The dividend rate and the price per share to be paid the company are to be determined by such competitive bidding.

Ohio also proposes to issue 436,224 shares of additional common stock, par value $8 per share, pursuant to a subscription rights offering to its common stockholders of record at the close of business on May 2, 1951, at the rate of one share of new common stock for each ten shares of common stock held, at a price to be determined by the company. The holders of warrants evidencing subscription rights will also be entitled to subscribe, subject to allotment, and at the same price, for shares covered by outstanding unexercised warrants. No fractional shares are to be issued in exchange for warrants. The warrants provide that persons subscribing for stock may direct the subscription agent to purchase additional rights required to complete the subscription for a full share or to sell rights in excess of those required for full share subscriptions. In each case the purchase or sale may not exceed nine rights for any single stockholder. The offer of shares of common stock will be underwritten. Such shares as are not subscribed for by the stockholders and such shares, if any, as are acquired by Ohio in connection with stabilizing the price of the common stock (described more fully below) are to be offered to prospective bidders, pursuant to the competitive bidding requirements of Rule U-50, at the same price per share as the price at which stockholders may subscribe. Prospective bidders will be notified of the price per share as determined by the company at least 42 hours prior to the time for the receipt of the bids. The bidding will set forth the amount of compensation to be paid by Ohio to the bidders for their services in underwriting the sale of the common stock. The proposed contract with the bidders provides that in case any shares of common stock purchased by them shall be sold prior to the expiration of 30 days following the close of the subscription period, for a price in excess of $1.50 more than the subscription price, the bidders must pay to Ohio, in addition to the purchase price, a sum equal to one-half of such excess.

In connection with stabilizing the price of the common stock, Ohio may, during the period commencing with the first business day after the price per share is determined by the company and ending at the time of the acceptance of a bid for the stock, purchase up to 43,622 shares of its common stock, such purchases to be made through brokers with

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[1] Section 15 (b) provides in part:
"The Commission shall, after appropriate notice and opportunity for hearing, by order * * * revoke the registration of any broker or dealer if it finds that such * * * revocation is in the public interest and that (1) such broker or dealer * * * (D) has willfully violated any provision * * * of this title, or of any rule or regulation thereunder."

[2] Our orders and notices instituting these proceedings provided that the same be published in the FEDERAL REGISTER not later than 15 days prior to March 19, 1951. Pursuant to this provision the orders and notices were published in the FEDERAL REGISTERS of February 15 and 17, 1951. 16 F. R. Nos. 32 and 34, pp. 1613-14, 1691-92.

[3] Sidney Ascher, — S. E. C. — (1950), Securities Exchange Act Release No. 4474.

[4] Ibid.

the payment of regular stock exchange commissions.

The Public Utilities Commission of Ohio, the State in which the company is organized and conducts its business, has expressly authorized the proposed security issuances and sales. It is represented in the filing that the proceeds from the sale of these securities will assist Ohio with its contemplated construction expenditures for the years 1951 and 1952 which it is estimated will aggregate approximately $57,000,000.

Notice of the filing of this application-declaration having been duly given in the form and manner prescribed by Rule U-23 promulgated pursuant to the act and the Commission not having received a request for hearing and not having ordered a hearing thereon; and

The Commission finding with respect to this application-declaration, as amended, that there is no basis for any adverse findings and deeming it appropriate in the public interest and in the interest of investors and consumers to grant said application and permit said declaration to become effective forthwith:

It is hereby ordered, Pursuant to said Rule U-23 and the applicable provisions of the act, that said application-declaration, as amended, be, and the same hereby is, granted and permitted to become effective forthwith, subject to the terms and conditions prescribed in Rule U-24 and to the following additional terms and conditions:

1. That the proposed issuance and sale of the new preferred stock and the new common stock by Ohio shall not be consummated until the results of competitive bidding to be held with respect to each separate issue have been made a matter of record in this proceeding and a further order shall have been entered by this Commission in the light of the record so completed which order shall contain such further terms and conditions, if any, as may then be deemed appropriate.

2. That jurisdiction be reserved with respect to any and all fees and expenses incurred or to be incurred in connection with the consummation of the proposed transactions.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 51-4807; Filed, Apr. 25, 1951; 8:48 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

AUTHORITY: 40 Stat. 411, 55 Stat. 839, Pub. Laws 322, 671, 79th Cong., 60 Stat. 50, 925; 50 U. S. C. and Supp. App. 1, 616; E. O. 9193, July 6, 1942, 3 CFR, Cum. Supp., E. O. 9567, June 8, 1945, 3 CFR, 1945 Supp., E. O. 9788, Oct. 14, 1946, 11 F. R. 11981.

[Vesting Order 17641]

WILLY AREND

In re: Debts owing to and securities owned by Willy Arend. F-28-31406.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Willy Arend, whose last known address is Graf Philipp-Strasse 13, Saarbrucken, Germany, is a resident of Germany and a national of a designated enemy country (Germany):

2. That the property described as follows:

a. That certain debt or other obligation of Brown Brothers Harriman & Company, 59 Wall Street, New York 5, New York, in the amount of $762.70 as of November 27, 1950, being part of funds held in an account for the Union Bank of Switzerland, Basle, Switzerland, by the aforesaid Brown Brothers Harriman & Company, and any and all rights to demand, enforce and collect the same,

b. That certain debt or other obligation of The Chase National Bank of the City of New York, 18 Pine Street, New York, New York, in the amount of $7,586.33 as of November 15, 1950, being part of funds held in a General Ruling No. 6 Account for the Union Bank of Switzerland, Basle, Switzerland, by the aforesaid The Chase National Bank of the City of New York, and any and all rights to demand, enforce and collect the same, and

c. Those certain Dominion of Canada 3¼ 1961 bonds of $3,000.00 aggregate face value presently in the custody of The Chase National Bank of the City of New York, 18 Pine Street, New York, New York, for the account of the Union Bank of Switzerland, Basle, Switzerland, together with any and all rights thereunder and thereto,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in Section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 11, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-4829; Filed, Apr. 25, 1951; 8:53 a. m.]

[Vesting Order 17646]

KIYOSHI NAKAMURA

In re: Cash owned by Kiyoshi Nakamura. D-39-9009.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Kiyoshi Nakamura, whose last known address is Okawa Ei-Mura, Ibusuki-Gun, Kagoshima-Ken, Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the property described as follows: Cash in the amount of $228.98 presently in the possession of the Treasury Department of the United States in Trust Fund Account, Symbol 158881, "Unclaimed Monies of Individuals whose Whereabouts are Unknown", in the name of Kiyoshi Nakamura, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Kiyoshi Nakamura, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 11, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-4830; Filed, Apr. 25, 1951; 8:54 a. m.]

[Vesting Order 17648]

DAISAKU OSAWA

In re: Debt owing to Daisaku Osawa. F-39-3505.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Daisaku Osawa, whose last known address is Japan, is a resident of

Japan and a national of a designated enemy country (Japan);

2. That the property described as follows: That certain debt or other obligation of the Superintendent of Banks of the State of New York, as Liquidator of the Business and Property in New York of The Yokohama Specie Bank, Ltd., 80 Spring Street, New York 12, New York, arising out of an accepted account payable representing issued and outstanding check No. 22561 drawn by The Yokohama Specie Bank, Ltd., New York Office, on Guaranty Trust Company, New York, New York, in the amount of $1,005.46, dated July 16, 1941 and payable to Daisaku Osawa, together with any and all accruals to the aforesaid debt or other obligation, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Daisaku Osawa, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 11, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-4787; Filed, Apr. 24, 1951; 8:51 a. m.]

[Return Order 941]

ANCIENS ETABLISSEMENTS BARBIER, BENARD & TURENNE, SOCIETE ANONYME

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith,

It is ordered, That the claimed property, described below and in the determination, including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, be returned after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Notice of Intention To Return Published, and Property

Anciene Etablissements Barbier, Bernard & Turenne, Societe Anonyme, Paris, France; Claim No. 41691; March 8, 1951, (16 F. R. 2178), property described in Vesting Order No. 666 (8 F. R. 5047, April 17, 1943), relating to United States Letters Patent Nos. 2,230,573; 2,235,460; 2,243,788 and 2,265,182; and property described in Vesting Order No. 293 (7 F. R. 9836, November 26, 1942), relating to Patent Application Serial No. 374,742 (now United States Letters Patent No. 2,315,030). This return shall not be deemed to include the rights of any licensees under the above patents.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on April 20, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-4831; Filed, Apr. 25, 1951; 8:54 a. m.]

[Return Order 947]

EMILY GREG-HOLPER BEHR

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith,

It is ordered, That the claimed property, described below and in the determination, be returned, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Notice of Intention To Return Published, and Property

Emily Greg-Holper Behr, Wayne, Pennsylvania, Claim No. 5794, November 7, 1950 (15 F. R. 7496), $1,102.02 in the Treasury of the United States.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on April 20, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-4832; Filed, Apr. 25, 1951; 8:54 a. m.]

MAISON J. HAMELLE

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property located in Washington, D. C., including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., and Property

George Edgard Hamelle, Louis Gilbert Hamelle and Gerard Andre Bruneau d/b/a Maison J. Hamelle, Paris, France; Claim No. 30289; $5,524.65 in the Treasury of the United States. Property to the extent owned by claimants immediately prior to the vesting thereof by Vesting Order No. 473 (8 F. R. 3679, March 23, 1943) relating to the musical composition entitled "Requiem" by Gabriel Faure.

Executed at Washington, D. C., on April 20, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-4833; Filed, Apr. 25, 1951; 8:54 a. m.]

[Return Order 942]

MRS. HERTA BARGUM PRITZL AND EMMERICH PRITZL

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith,

It is ordered, That the claimed property, described below and in the determination, be returned, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Notice of Intention To Return Published, and Property

Mrs. Herta Bargum Pritzl, New York, N. Y., and Emmerich Pritzl, Graz, Austria; Claim Nos. 5545 and 5554; published March 10, 1951 (16 F. R. 2246); the following property to Herta Bargum Pritzl and Emmerich Pritzl as joint tenants: $1,942.85 in the Treasury of the United States. All right, title, interest and claim of any kind or character whatsoever of the Attorney General of the United States, as successor to the Alien Property Custodian, in and to General claims and Property claims presently being processed by the Superintendent of Insurance of the State of New York arising out of Mortgage Participation Certificate No. 135 Series 18957 issued and guaranteed by the Lawyers Mortgage Company on premises 590 Fort Washington Avenue, New York, New York.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on April 18, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 51-4789; Filed, Apr. 24, 1951; 8:51 a. m.]